University of South Florida Sarasota-Manatee
BUL 5332 – LAW AND THE ACCOUNTANT
SYLLABUS Spring 2015– 100% ON LINE COURSE
**** PERSONAL DISCIPLINE IS REQUIRED****
The rules set forth below apply to all students equally

Course Instructor: Dr. Carol A. Vance, JD, Macc, CPA and Bar (FL & CA)

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<td>ONLINE</td>
<td>No physical class time or place</td>
<td>scheduled phone call – use email to schedule</td>
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Phone Numbers: Office: (727) 367-1222 / Fax: (727) 367-1221

Email: cvance@cavcpa.com – NOT USF EMAIL

Course Objectives:
1. To review the basic principles of business law.
2. To understand how business law relates to the present and future environment of the accountant.
3. To relate the theoretical business law to practical situations.

Topical Outline:

- Contracts: 15%
- Sales: 5%
- Negotiable Instruments: 10%
- Business Organizations: 15%
- Agency: 5%
- Accountants & Fiduciary Legal Responsibilities: 15%
- Secured Transactions: 5%
- Bankruptcy: 15%
- Security Regs & Antitrust: 10%
- Employment & Intellectual Property: 5%

Total: 100%

NOTICE: THIS COURSE DOES NOT COUNT AS AN ACCOUNTING COURSE FOR THE CPA EXAMINATION; THIS COURSE IS A BUSINESS LAW COURSE.

Required Course Materials: Three books and software downloads

1. Pearson Prentice Hall, Business Law, Henry Cheeseman, USF Custom Edition. This text is available at the USF S/M bookstore 941-355-5252. bookstore@sar.usf.edu ISBN 10:1256679925. The old 3rd edition is also fine. It is red and purple on soft cover. The latest text is green with 2 businessmen in suits. Both are soft cover.


The Gleim Books are available at a discount if you order directly from Gleim and tell them you are in my USF class www.gleim.com – order your books early shipping will delay receipt. The bookstore will also carry Gleim.

4. Your PowerPoint Lectures may be found on Canvas. Some Tested materials are on the lectures and not covered in text. You must listen and take notes to study the proper materials for your exams and quizzes. https://www.dropbox.com/sh/pgy09x1mstgwmrn/YEdWpzLeAd

5. If you choose to deviate from the assigned text it is your responsibility and not Professor’s to match the appropriate chapters and pages.

And Respondus Lockdown browser. Follow the instructions and link provided under Syllabus on Canvas. Once Respondus is loaded on your computer you will have a desktop icon available and when you take quizzes, exams or practice quiz you should log on with that icon and choose “learn USF” as server. All the rest will look normal. Take the practice quiz (No points) to indicate your first day of class attendance and test your Respondus download BEFORE 5pm Thursday the first week of class or you will be dropped from the course.

Turn off all other applications and set Mozilla Firefox as your default browser, turn off all pop ups before using Respondus.

You cannot take the quizzes or exams without this loaded on your computer. There is a practice quiz posted for you to test your Respondus You may practice it as many times as needed to get comfortable with how the on line testing works. Contact IT at USF with any problems loading or using Respondus.

DOWNLOADS REQUIRED: In order for all Canvas to work effectively with all of these downloads, USE MOZILLA FIREFOX not Safari or Internet Explorer.

Also Load Java 7 or higher. For Apple products QuickTime or FLIP4Mac or other patches/downloads to view power points and save to PDF may be needed. I will be provide Video quiz and exam review sessions feedback periodically. The CHROME browser make work better when you are watching videos Students are responsible for knowing how to use all the software applications used in this course. I am not a computer expert and cannot solve your computer problems. Please call USF IT or your computer helpline for assistance.

Additional technical support for Students:
USF Help Desk 813-974-1222 or email help@usf.edu
Elluminate Help Desk 866-388-8674, option 2 (toll-free)

Explanation for Cumulative Testing
All tests are cumulative and may cover any material covered to date. This is no differently tested than if instead I used unannounced pop quizzes. You will need the information you learn in the first chapters all the way through to the end of the. Life is cumulative, accounting is cumulative, the short term learning permitted in some classes is the reason fewer than 1/2 of USF graduates ever pass the CPA exam. I want you to be successful and I believe you can do it!

**Explanation for the testing times - Online classes and online testing is a privilege**

Your tests are set at the times listed on the assignment schedule because I have to contend with several constraints:

1. I cannot require you to take a test at any time any USF campus has classes in session. So that rules out 8am -10pm Monday - Friday, and Saturday 9-5pm. Except for 4:50pm - 5pm, M-F, when currently no USF business class is in session.
2. I cannot require that you take a test in my class if you could also be taking another online class from me with testing at the same time. For instance Tax 4001 and BUL 3320 cannot be scheduled at the same time because a student may be enrolled in both classes. This is why some testing in some classes start at 4:50pm or 8am and others start at 7am.
3. I cannot give you a large time frame to take the test whenever you like because first I cannot provide timely feedback to students that stay on the syllabus schedule and second it would allow you to cheat. The exams are not open book or group projects. If you get caught cheating on a large scale, accreditation of the University is at stake and you will be expelled. Online classes would be terminated in the College of Business. Your degree would be worthless if it was from an unaccredited University.
4. I cannot set an exam time different for different people; Canvas notices the entire class of all testing times and therefore will confuse the students who have scheduled their time around the assignment schedule.
5. I do know from lots of research already done on this subject, that the human brain works best when there is natural daylight outside and that good preparation and a good night’s sleep with an early wake-up and breakfast does produce good results. Do not stay up all night studying, your reasoning skills are best when rested and fed.

Keep in mind that I am up with you too watching your progress from my end, so 4:50 pm or 7-8am is not to torture you, it is the only option. I am neither an early or late person, I like to sleep.

**Explanation for my Emails**

I appreciate your polite and respectful emails. I WANT to help you all as quickly as you request the help and while you are thinking about the questions. So my responses are quick but brief. I in no way intend to be rude or sarcastic; I am trying to be personally responsive to over 150 students very quickly. I want you all to succeed and have brilliant careers!

Keep sending the questions; I will continue to respond as quickly as possible.

Good Luck!

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**COURSE POLICIES:**
1. **Academic Dishonesty**: Under the USF Honor System, each student is expected to observe complete honesty in all academic matters. Violation of the Honor System will be referred to the Honor Council. Note: The following are violations of the Honor Code: Copying another student’s homework, signing another student’s name on the attendance roster, copying another group’s disk or written work, using another student’s computer disk to print out your assignment, copying another student’s file onto your disk, and misrepresenting a reason for a missed exam. Punishment for academic dishonesty may result in an automatic “F” or “FF” in the course or action that may result in suspension or expulsion. See the USF Policy on Academic Dishonesty & Disruption of the Academic Process at [http://www.usfsm.edu/catalog/](http://www.usfsm.edu/catalog/) exams and quizzes are the property of the Instructor and may not be reproduced.

2. **Attendance**: Your first day attendance will be determined from your attempting the practice test on Canvas, after loading Respondus as directed above. All materials and exams will be delivered online. Video feedback sessions will be provided to review the most missed quiz and exam questions. Anything discussed on the taped lectures that appear on Canvas, whether or not covered in the text or other course materials, may appear on examinations. Good lecture notes are of critical importance. You may not record or reproduce class lectures and discussions without Dr. Vance’s express written permission.

3. **Exams, Quizzes and Assignments and Class Presentation Methods** and **On LINE Mini and MAXI Quizzes**: Assigned problems should be completed on or before the date assigned on your assignment schedule. Students should consider the completion of all written assignments to be a minimum requirement for successful completion of this course. Failure to work the problems assigned will result in poor quiz and exam performance. Students are expected to have read the material to be covered and to have worked the assigned homework prior to the class date indicated. You must load RESPONDUS on your computer in order to complete this coursework. The instructions for loading this program are included in the Announcements on Canvas for your convenience. The Exams, Mini and Maxi quizzes are announced on your assignment sheet and on Canvas, NO EMAILS will be sent. All quizzes and exams will come available on **Saturday at 8am and will remain available until Saturday at 8:20 or 9:00am 9:15am**. You will have very limited time to launch the quiz and exams and you must complete the tests by the end time listed on the assignment schedule. So log on at 8am since you will have 15 minutes to answer the 10 multiple choice questions on the mini Quizzes. On the MAXI quizzes, you will have 45 minutes to answer 30 questions. On the first two exams you will have 60 minutes to complete 40 questions. Once you launch the quizzes and exams, if you attempt to utilize ANY other functions on your computer RESPONDUS will lock you out and you will not be permitted to complete the quiz or exam. There is no backtracking permitted on the quizzes or exams; you must answer each question as it appears. The quizzes and exams are randomly sorted from a pool of test questions that are larger than the test you receive so you will not have the exact quiz or exam as your classmates. **DO NOT** expect to have time to look up your answer. READ THE INSTRUCTIONS CAREFULLY BEFORE BEGINNING THE QUIZ. A Practice quiz is in place so you can practice in advance using the software and test your computer at any time during the semester. The practice quiz grade DOES NOT COUNT in your grade. Once the time has expired the quiz will disappear from Canvas, so do not expect to wait until the last 15 or 40 or 60 minutes to take the quiz or exam. Control your environment as if you were taking an exam in class. Turn off cell, instant messaging and iPod and TV etc. No additional time or makeup will be given for any equipment or software failures. No makeup quizzes will be permitted, you are in control of your time and computer. **All materials assigned to the date of the quiz are potential subjects of the quizzes**. Do not assist any other students or accept help from anyone for these quizzes or exams. The academic honesty policy will be upheld. Each person will NOT have the same quiz or exam. The first Maxi quiz is a cumulative quiz of the material covered on exams one and two. **Online testing is a privilege granted by the Instructor and therefore that privilege may be revoked by the**
Instructor for any reason, without cause. The student maybe required to take all tests in a supervised setting at a time and place to be determined by the Instructor. The Instructor reserves the right to videotape all online testing and all students participating in online testing consent to this videotaping. Students may receive no assistance from any source during testing.

4. Calculators: Not permitted or needed.

5. Grade Forgiveness: Accounting majors can use the forgiveness only once in upper level accounting courses.

6. S/U Grades: This course is not offered on an S/U basis.

7. Prerequisites: BUL 3320 or BUL 3112 with a grade of C or better.

8. Incomplete Grades: An "I" grade may be awarded to an undergraduate student only when a small portion of the student's work is incomplete due to circumstances beyond the control of the student, and only when the student is otherwise earning a passing grade. The time limit for removing an "I" grade is to be set by the instructor of the course. The maximum time for removing the "I" grade is the end of the next academic semester of enrollment. "I" grades are used only for emergency situations. "I" grades are not to be used as a means of avoiding a poor grade. For this Course students must complete their Incomplete within two weeks of the end of the academic semester. Summers do count as an academic semester. "I" grades are used only for emergency situations. "I" grades are not to be used as a means of avoiding a poor grade.

9. Makeup Exams: If a student cannot be present for an exam for a valid reason, (validity to be determined by the instructor) a make-up test will be given only if the student has notified the instructor in advance that he/she cannot be present for the exam. Generally, missed exams must be made up within one week of the original test date. Makeup exams will be essay exams and not the same objective exam given to the class at the regularly scheduled exam time. For a valid reason, I can set your tests for an earlier time on test days if requested in advance.

10. Bomb Scare: All scheduled classes will be held in an alternate room in the case of a bomb scare, fire alarm or other disruption. Students will gather outside of the classroom building at a designated area in the parking lot so that an alternative room may be announced.

11. Testing Policies: Law exams are normally structured to include a testing of:

   A. The student’s knowledge of the material covered in the texts and class lectures.
   B. The student’s ability to analyze the complex problematic situations.
   C. The student’s ability to present well-structured solutions.
   D. The student’s ability to work under some time pressure.

12. Examinations: The number, timing, and point values of examinations are as follows:

   A. Examinations: There will be two 40 question examinations delivered on Canvas. The first two exams will cover material that is mutually exclusive. Each Exam is 40 multiple choice questions
similar to the questions on the quizzes and in Gleim. You will have 60 minutes to complete each exam.

B. Grading: Your grades are based on the points earned, not the percentage earned. The scale employed for grading is the following: 90-100% of all the total points available = A; 80-89 = B; 70-79 = C; 60-69 = D; 0-59 = F. **Plus and minus grades will not be given in this course.**

13. Drop Date: No "W" grades can be obtained after the official drop date. All students enrolled after the drop date will receive a letter grade of A, B, C, D, F. Accounting and Law Faculty will not provide any comments on student petitions for late withdrawal after this date: 3/21/15.

14. Notice: All exam papers will be destroyed four weeks after the semester ends. If you receive your grade and wish to have your exam grades reviewed, you must notify the course Professor in writing within this four week time period. Retain all course materials until the grade has been reviewed.

15. Grade Disclosure: **Due to confidentiality issues, I cannot email grades, nor provide grades over the telephone or fax, nor will I post grades. Your grades will be posted on Canvas, and I will send out an announcement notifying you of the posting.**

16. Cell Telephones/Pagers: To avoid class disruptions, cellular telephones and pagers must not emit audible signals during class. Please place such equipment in mute or off mode. If your cell phone rings during an exam, your exam will be confiscated, you will leave the classroom to take your call and your exam will be graded based on the total points available. Cell phones cannot be used during an exam while taking an exam or while reviewing an exam.

17. Disabilities: Students are responsible for registering with the Office of Students with Disabilities Services (SDS) in order to receive academic accommodations. Reasonable notice must be given to the SDS office (typically 5 working days) for accommodations to be arranged. It is the responsibility of the student to provide each instructor with a copy of the official Memo of Accommodation. Contact Information: Disability Coordinator, 941-359-4714, disabilitieservices@sar.usf.edu, http://www.usfsm.edu/students/disability/

18. Religious Observances: Students who anticipate the necessity of being absent from class due to the observance of a major religious holiday must provide notice of the date(s) to the instructor, in writing, by the second week of class.

19. Proper Enrollment: Students not properly enrolled in the will not be allowed to take examinations without adequate written documentation being provided that the problem is resolved.

20. Lecture Notes/Tapes Sales: Lecture notes and tapes of lectures are copyrighted and are for your personal use only. It is unacceptable and a violation of USF policy to give, assign, or sell them to anyone or any entity nor to place them on any web site **without the express written consent of Carol A. Vance.**

21. **Sound and/or Video and or Visual Reproduction Recording Devices Prohibited:** The use of sound and/or video recording devices is prohibited except when required in writing by Student Disability Services, and only if written permission is given by the instructor. Such recordings may be used only for individual or group study, or for other non-commercial purposes reasonable arising from the student's study or enrollment. A violation of this policy will result in an Honesty policy violation the assignment of a grade of FF for the
course. The instructor may grant written permission for audio recording if requested prior to the beginning
of any class

22. Legal or Tax Advice Disclaimer: Instruction in this class is neither intended to be nor should be
relied upon as personal legal or tax advice. No attorney client relationship may be expected or
established in this class by virtue of questions answered, opinions expressed, or comments by the
instructor, whether written or oral, whether during the class or outside of class. Personal legal or tax
advice must be obtained from outside legal counsel.

23. I do not speak for the University of South Florida: All statements, observations, opinions,
interpretations, analysis, inferences, conjectures, predictions, recommendations, etc. et al offered by me
while teaching this course or otherwise are mine alone, and not those of the University of South Florida.

24. We are Green. Your syllabus, handouts and assignment schedule are available on Canvas. You will not
be provided a hard copy from the University in an effort to cut costs and conserve paper. You are responsible
for checking the announcements on Canvas daily for any course information.

25. The Instructor Lectures on Canvas are offered as lecture materials prepared by your instructor. Your
instructor recorded these lectures with exam tips and examples after reviewing 6 sources of CPA review
materials and preparing your course quizzes and exams. Keep in mind that your instructor is not a
professional voice actor. These lectures are offered in lieu of the weekly class meeting. It is recommended
that you read the text and listen to the lecture and work the Gleim problems every week to keep up with the
vast material and be prepared for the quizzes exams. The exams are applied knowledge multiple-choice
questions designed to simulate the Law questions on the CPA exam. You will find some tables and charts
included on the power point slide presentation. These are often summaries of the material previously covered
and have no lecture or audio attached. You must move to the next slide manually when these slides appear.
You will find it impossible to learn all the tested materials the night before your exams.

26. Professionalism and following Directions and Seeking your own Solutions. You are months away
from being licensed professionals who will be expected to follow directions and solve problems. We would
like to see you start exercising these qualities. You are expected to read the announcements for the course
weekly as if you are following up with your supervisor for assignments at work. You are also expected to
read the syllabus and assignment sheets and search for your answers to procedural questions regarding the
course. If you still have procedural questions then please email those questions to me. I may respond with:
"Please see the announcements or syllabus or assignment sheet." Understand that at your work place each
time you go to your supervisor with redundant questions that have already been answered he or she will not
likely think much of your level of professional responsibility. Given the competitive nature of the workplace,
too many of these instances may be detrimental to your career. So PLEASE start practicing, reading the
directions and following those directions now. ON THE OTHER HAND – DO NOT HESITATE to direct
substantive course questions to me as often and as redundantly as necessary! I am here to assist you with
obtaining the tax and law skills necessary to help you become a licensed professional.

27. How to use Gleim: All Chapter Study Units (SU), located in Gleim’s CPA Review - Regulation Book
are indicated by REG, and in Business Environment & Concepts Book are indicated by BEC. Please do the
assigned reading before coming to class or listening to the lectures. The correct and incorrect answers along
with explanation are provided in Gleim both are equally important when working the assigned problems
since the fact patterns used on standardized tests are typically used more than once with two or three
questions regarding the same facts.

The Cheeseman Book is very clearly and concisely written, and is an excellent way to review legal concepts prior to using the Gleim outlines of the law. You should read the Cheeseman Chapters, then read the Gleim Study Unit, and work the Gleim multiple-choice questions. You must cover the explanatory answers contained in the right hand column with a paper mask. It is ok to miss these questions the first time through. I suggest that you work all of the questions on a page, then review the explanatory answers both the correct and incorrect answers, since many CPA exam legal concepts are covered in these answers. If you miss more than 10% then work through the questions again. Research shows that the more questions you practice the more you increase the chance of exam success. The Gleim outline is more in depth and is updated more frequently than the Cheeseman text. If you find an inconsistency in the text and Gleim, Gleim is more reliable.

28. Course Evaluations: These must be completed on line when announced you will have approximately 5-10 days to complete these. The online course evaluations are very important for the administration to determine if more on line courses should be offered. Please comment per your opinion and experience.
Asset protection strategies cannot be commenced after the liability threat occurs. The proper titling of assets and choice of entity should be under taken prior to acquiring the asset. All types of creditor protection vehicles must be legally formed, properly maintained with books and records and not commingled with any other assets in order to be recognized by the tax authority and the courts. This document is not intended to provide legal advice and cannot be substituted for retaining legal council for the purpose of credit protection or estate planning.

Exempt Assets

Florida has more favorable bankruptcy laws than most states. Within the context of bankruptcy law there is a term “exempt assets” that refers to assets that are not subject to liquidation in bankruptcy. Therefore, the most obvious strategy is to place all these exempt assets in the spouse’s name who bears the largest risk of liability exposure, namely the Doctor, Lawyer, CPA, Contractor, Engineer, Architect, Consultant. Then title the balance of the assets that are not exempt in the less liability plagued spouse’s name. Unfortunately some of us are in liability ridden professions just as our spouses are. An example would be an anesthesiologist and her spouse the nurse anesthetist.

In Florida exempt assets include your Florida homestead (so long as you have held a homestead in Florida for over at least 730-1215 days prior to filing for bankruptcy this includes consecutive time in a former Florida homestead), your properly managed qualified pension, 401K, 403B, 457 deferred compensation and Simple IRA’s (and rollover IRA’s funded with these types of plans), life insurance benefits, annuity accounts, and your wage account. Your self funded IRA is also exempt up to $1,000,000 in value. A wage account is a bank account set up in only your name that is titled Wage Account, It may hold 6 months of normal salary. Generally no distribution may be taken from the qualified pension, or the IRA and annuity before age 59.5 and when the distribution is taken it is subject to income tax at ordinary income tax rates and the exempt status is lost.

Non Exempt Assets

Most other assets are nonexempt assets. These assets should be titled in your spouse’s name only. But this spousal ownership may cause problems if divorce takes place. If you have acquired these assets from earned income during your marriage they practically belong 50% to each spouse. This may not be the case for premarital assets or inherited or gifted assets.
Liability Ridden Assets

These are the type of assets that have a high risk of accident or damage potential. For most of us this is our vehicles, boats, planes, and commercial real or personal property. These assets should be titled in the name of the driver, captain or pilot, since in general, if there is an accident that results in litigation both the owner and the operator will be named. If you title your vehicles in joint names with your spouse you expose all jointly owned assets. Also if you title your children’s vehicles in your child’s name and your name you have exposed all of your individually owned assets to child’s creditors, in addition to exposing all of your child’s Uniform Gifts to Minors (UGMA) accounts to creditors.

Business Entity

Your operating business entity should have liability protection and should hold no appreciating assets including no significant cash. You should use a line of credit at your bank to fund your operating cash needs and instruct the bank to sweep the cash account daily to offset the line of credit. Do not comingle business and personal funds. Do not pay personal bills from business or business bills from personal account. Do not deposit business revenues to personal account.

Life Insurance

If your joint net worth including life insurance proceeds is in excess of $7 million, then all life insurance should be placed in an Irrevocable Life Insurance Trust (ILIT). A properly drafted and managed ILIT protects the policy benefit from the insured’s and the beneficiary’s creditors and eliminates estate and income taxes on the policy benefit. If you have a taxable estate you need enough life insurance to pay the estate taxes so your family does not have to liquidate assets in a fire sale to satisfy the estate taxes. If you have a young family with lots of typical debt i.e. student loans, mortgage, car payments, you should consider an ILIT to cover your debt in case of your untimely death in order to payoff debt, keep your family from becoming homeless, provide for the education of your young children and protect the assets from your current spouse’s next spouse and his or her family.

Revocable Trusts

Revocable trusts generally provide little, if no, creditor protection and are subject to income and estate taxes. Property transferred to the spouse may be placed into the spouses revocable trust and that ownership transfer to that trust may provide some protection from creditors of the transferring spouse’s creditors. These trusts are useful to avoid probate and provide terms for your care should you become incapacitated.
Irrevocable Trusts

A properly drafted and managed irrevocable trust is creditor protected. Asset control must be relinquished. This type of trust is subject to income taxes and the trust must maintain books and records and may be required to file an annual income tax return. An irrevocable trust is generally not subject to estate taxes.

Code Section 529 Trusts & Prepaid College Plans

Your children should have 529 Trusts and/or a Prepaid College Plan for their education savings. The account owner and beneficiary is creditor protected if it is a Florida account. 529 Trust also avoids gift and estate taxes. The account grows tax free and withdrawals are exempt from income tax if used to fund qualified education expenses. The 529 trust may revert to the contributor if the beneficiary dies, attends college on scholarship or does not attend college. The unused 529 trust may also be gifted to any family member (self, spouse, parent, niece, nephew, grandchild) for education.

Health Savings Accounts (HSA), Education IRA’s

Your savings accumulated in an HSA or education IRA is also exempt under Florida Law for both the owner and the beneficiary.

Limited Liability Limited Partnership (LLLP)

A family limited partnership is a partnership with limited liability from which it is difficult for a creditor to force a distribution. It is the best creditor protection entity form in available in the state of Florida. Each parcel of non-homestead real property should be held in a separate partnership. Equity and bond investments or any appreciating property may also be held this way. A partnership interest may be gifted with an approximately 20% - 35% discount from the market value to children. This tool can decrease or eliminate gift tax. Discounting is also available for estate taxes. We use LLLP’s in Florida since we can get statutory limited liability protection for both the limited and general partners (unlike a plain Limited Partnership – LTD) while allowing limited partners to participate in management without losing their limited liability status. These entities are expensive to form, with a state fee of $1000. In addition this separate entity must maintain books and records and file an annual information tax return.

Limited Liability Company

This type of entity may be used in place of a family limited partnership however it currently has less statutory protection from charging liens than LLLP’s. This entity costs $125.00 to form and may have only a single owner so that, while books and records are required no separate tax return may be needed. This entity may be taxed to the individual owner, or as a Corporation, S corporation or partnership if the correct elections are made. Single member LLC’s are not protected from creditors at this time.
Tenancy by the Entirety

Tilting your homestead as tenants by the entirety will provide Constitutional creditor protection from creditors in Florida. Tilting other assets with your spouse as tenants by the entirety will provide some liability protection provided you have no joint liability with your spouse. This includes credit cards. Care should be taken here not to title separate assets such as premarital assets, gifts and bequests in your spouse’s name unless you fully intend to make an irreversible marital gift.

Umbrella Liability Policies

Consider acquiring a $2 million dollar umbrella liability policy. The premiums are inexpensive relative to the protection provided.

Joint Debt

Joint creditors must be avoided. Each spouse should have his/her own credit cards and any loans should be titled the same as the underlying asset, in a single spouse’s name.

Timing

The Florida Statute prohibits your attorney from assisting you with creditor protection after the dreaded event occurs. So please plan proactively as you acquire the assets.

Bankruptcy

Bankruptcy is a legal process that is available in the law to allow debtors to have some of their debts discharged or wiped out by the bankruptcy court. Child support, alimony, student loans and taxes are generally not dischargeable.
New Business Entity

Facts and Information
By Carol Vance Esq., CPA May 2012

In Florida we operate primarily using four types of entities:

1. **Sole Proprietorship**—There is only one owner. That owner reports his/her sales and expenses as net profit on their personal tax return on a Schedule C. He/she pays self-employment tax on that net profit on a Schedule SE. A sole proprietor may have employees; however, sole proprietorships have no liability protection. The personal tax return is due April 15. Florida has no personal income tax.

2. **Partnership**—Must have at least two owners. The owners may be individuals, other corporations, other partnerships, but there must be at least two owners. A partnership forms an annual return Form 1065 and is required to use the same year end as the majority of its owners. For example, if the owners are individuals, generally, they must use a calendar year end for the year end of their entity. The 1065 form is due by April 15 following the year end.

There are several types of partnerships available in Florida. Some partnerships have limited liability protection and some do not. Please consult an attorney before choosing a partnership entity. Partnerships do not pay tax; instead, the partners pay tax on their personal returns.

A partnership entity is formed by filing a partnership agreement with the State of Florida. We recommend that you obtain the services of an attorney to draw up a partnership agreement. In addition, you may visit www.sunbiz.org. On this website, you can obtain the filing forms necessary to correctly submit a partnership filing. We do not recommend handling organization formations on your own if there is more than one owner—we strongly advise the use of attorneys for these types of formations and for establishing a partnership agreement.

3. **Corporation**—There are two types of corporations: “C” corporations and “S” corporations. Both types of corporations are obtained by filing forms with the State of Florida (see www.sunbiz.org). But, where there is more than one owner of the corporation, we strongly recommend you obtain counsel to form this entity so that counsel can offer advice and prepare documents regarding shareholder buy-sell agreements. Once the corporate entity is formed with the State of Florida, the following should be done in the order listed below:

- The SS-4 can be completed and submitted online at www.irs.gov.
- FEIN is assigned once the IRS has received the information from the completed SS-4.
- The bank account can be obtained.
The "C" corporate entity requires nothing further than obtaining corporate status from the State of Florida. Again, you may visit www.sunbiz.org.

The second type of corporate entity is an "S" corporation. The "S" election must be filed on Form 2553 with the Internal Revenue Service (after the corporation is formed by the Florida Secretary of State). After the corporation is formed, and after the FEIN is acquired from the federal government, then the entity can file a Form 2553 within 75 days of the date of incorporation or the date they began business, or the date they first had assets (whichever comes first) to request "S" corporation treatment. An "S" corporation files an 1120S by March 15 following the calendar year end, and "S" corporations are generally limited to using a calendar year end.

A "C" corporation files a Form 1120 with the federal government and is due 2 months and 15 days after the entity's year end. A "C" corporation may use a year end other than a calendar year end provided the "C" corporation is not a personal service corporation or not a professional association. Examples of personal service corporations or professional associations are doctors, lawyers, C.P.A.s, engineers, actuaries, businesses that are professionally licensed and provide a personal service. Those professional service corporations or professional associations are generally required to use a calendar year end. "C" corporations are subject to corporate income tax.

The State of Florida requires no filings for "S" corporations except in the initial year to notify the State of Florida that the corporation has made an "S" election. The State of Florida's returns are due 15 days after the federal returns are due.

We do not recommend any corporation type for holding appreciating property. Please consult an attorney. "S" corporations generally do not pay tax; instead, the shareholders pay the tax on their personal tax returns.

4. Limited Liability Corporation (LLC)—A limited liability company (LLC) may be taxed as a sole proprietorship with only a single member/owner, a partnership, a "C" corporation, or an "S" corporation. Please consult an attorney to help in determining what type of entity is best for you.

LLCs may be formed online at www.sunbiz.org.

As a general rule, most businesses must obtain the following when starting a business in Florida (good sources of information are the Florida Department of Revenue website — http://www.state.fl.us/dor/ and www.sunbiz.org):

1. Fictitious Name Authorization—Complete this application if you intend to use a fictitious name for your business. A fictitious name is any name that is other than your real, given name (first name, middle initial, last name), or the name you used when you registered your entity in Florida. The fictitious name application can be obtained online by visiting www.sunbiz.org.
2. Occupational License. A nominal fee license based on the type of business that will be conducted. It is issued by the municipality, i.e., county or city, where the business will be located. You obtain it from the licensing bureau of that municipality. For those businesses located in Hillsborough County, please go to the following website for more detailed information (http://www.hillstax.org/Dos/occupational_license.asp). If your entity will use a fictitious company name, the fictitious name application must be completed, and authorization received prior to applying for an Occupational License.

3. Sales Tax Number (if the entity will have retail sales). You can download Form DR1: (www.myflorida.com/dor/forms), print the form, complete it manually, and remit the completed application and a fee of $5. Form DR1 (sales and use tax application) can also be completed and remitted electronically by going to www.state.fl.us/dor/forms/register.html. The sales tax application gets updated on an annual basis. After the sales tax number has been applied for, a sales tax coupon book will be sent, which will be used to file a monthly or quarterly sales tax report. The monthly sales tax report shows the taxable sales for the previous month and is filed by the 20th of the next month. Therefore, if filing sales taxes for January, the January sales tax form from the coupon book will be due by February 20. Quarterly sales tax reports are due April 20, July 20, October 20, and January 20.

4. Use Form SS-4 to apply for a federal employer identification number (FEIN). An EIN is a nine-digit number (for example, 12-3456789) assigned to sole proprietors, corporations, partnerships, estates, trusts, and other entities for tax filing and reporting purposes. The information you provide on the SS-4 form will establish your business tax account. Generally, a sole proprietor should file only one Form SS-4 and needs only one EIN, regardless of the number of businesses operated as a sole proprietorship or trade names under which a business operates. However, if the proprietorship incorporates or enters into a partnership, a new FEIN is required. Also, each corporation in an affiliated group must have its own FEIN.

You can apply for and receive your FEIN via the internet and use it immediately to file a return or make a payment. Go to the IRS website at www.irs.gov and scroll to Employer ID Numbers under the Related Topics heading.

Once a business has obtained its FEIN, a business checking account can be opened. Typically a bank will not open a business checking account until the FEIN is supplied (most banks will allow a completed SS-4 form as proof of FEIN).

5. Florida Unemployment Tax (UCT-6)—A UCT-6 unique unemployment tax number is applied for using the newly revised DR1 Form, which includes an Unemployment Tax Registration section.

(Download the DR1 form from http://www.myflorida.com/dor/forms/download/unemp.html). There is no fee for the applying. Application need only be made if the entity will have employees on the
payroll. Upon receipt of the completed application, the State will assign you a unique UCT-6 account number. The State will mail you a blank report (UCT-6) each calendar quarter before the unemployment tax is due. The UCT-6 has to be completed and mailed every quarter even if no payroll was paid during the previous quarter. UCT-6 reports are due no later than the 30th day of the month following the end of the previous calendar quarter. You may also apply to file the UCT-6 online; however, please note, that you must file your first UCT-6 report using the form they provided to you by mail before they will accept your registration for online filing. Once they accept your filing, they will send you an online ID and password for you to use for filing your future UCT-6 reports.

Each January, the State of Florida will send a Uniform Business Report (UBR) postcard, which is the annual update to the entity’s formation, whether it be a corporate, LLC, or partnership entity, within the State of Florida. The update and remittance of the appropriate fee is not due until May 1 in order to maintain the entity form within the State. After receiving notification from the State, you may remit your UBR filing and fee (via credit card) at www.sunbiz.org.

Tangible Tax Return (DR405)—The County where the business resides will require a Tangible Tax Return for all commercial business locations, which has to be filed by April 1 following the calendar year end regardless of the fiscal year end. The report simply asks for a list of the tangible property, i.e., office equipment, furniture, signage, etc., to the county, and they assess a tangible tax much like real property taxes are assessed each November. The tax is due once the tangible property has been assessed and can be paid, with increasing amounts due, until June 1.

All entities with employees are required to file employment tax returns. Employment tax returns are due as follows:

- Forms 941—Forms for federal employment taxes. They are due by the 30th of the month following the calendar quarter end as follows:

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Ending</th>
<th>Due Date</th>
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</thead>
<tbody>
<tr>
<td>January-February-March</td>
<td>3/31</td>
<td>4/30</td>
</tr>
<tr>
<td>April-May-June</td>
<td>6/30</td>
<td>7/31</td>
</tr>
<tr>
<td>July-August-September</td>
<td>9/30</td>
<td>10/31</td>
</tr>
<tr>
<td>October-November-December</td>
<td>12/31</td>
<td>1/31</td>
</tr>
</tbody>
</table>

The taxes that are included are Social Security, Medicare, matching Social Security and matching Medicare, and the federal income tax that is withheld from wages. The social security tax rate for 2014 is .062 and is based on the first $117,000.00 of wages paid to each employee in each calendar year. The Medicare rate is .0145 based on all the wages earned by each employee in each calendar year. Both Social Security and Medicare are withheld from employees’ wages and then matched by the corporation when the payroll taxes are remitted. Payroll tax deposits are generally due three business days following the date of the payroll.
You may enroll your company at http://www.eftps.gov/ to file the 941 payroll taxes online. You may pay any 941 tax using this online system; however, the actual quarterly 941 return is not filed online. The IRS will mail you a 941 return during the last month of the quarter for you to submit the quarterly report directly to them. Some accounting programs (such as QuickBooks) produce this report in an IRS-approved format that you can remit through the mail.

- Federal Unemployment Tax Return (FUTA 940)—While the deposits for federal unemployment taxes are due at the same time the 941s are due each quarter, the 940 return itself is only due once a year by January 31, and encompasses information regarding the entire year. The rate for federal unemployment is .006 on the first $7,000 in wages per each employee per each calendar year, for a total of $42 per employee per year who earn more than $7,000. If you enrolled your company to pay the 941 payroll taxes online at www.eftps.gov/, then you will be able to use that same system to submit the 940 tax online, with each payroll you run.

- Florida Unemployment Tax (UCT-6)—A UCT-6 unique unemployment tax number is applied for using the newly revised DR1 Form, which includes an Unemployment Tax Registration section. (Download form from at http://www.myflorida.com/dor/forms/download/lunemp.html). Application need only be made if the entity will have employees on the payroll. For more information on enrolling your entity, see Page 4, number 5 (Florida Unemployment Tax—UCT-6). The UCT-6 has to be completed and mailed every quarter even if no payroll was paid during the previous quarter.

The unemployment tax rate can be as low as .0059. However, the rate can go as high as .054 per $8000 in wages per employee per year. UCT-6 reports are due no later than the 30th day of the month following the end of the previous calendar quarter (just as the 941s are due):

<table>
<thead>
<tr>
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<th>Ending</th>
<th>Due Date</th>
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</thead>
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<tr>
<td>July-August-September</td>
<td>9/30</td>
<td>10/31</td>
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<tr>
<td>October-November-December</td>
<td>12/31</td>
<td>1/31</td>
</tr>
</tbody>
</table>

The State will mail you a blank report (UCT-6) each calendar quarter before the unemployment tax is due, and the entity’s current tax rate will be found at the top of the form. You are only required to complete one blank report with submission via the mail, after which time, you will be able to enroll in e-filing to file and pay this quarterly tax.
<table>
<thead>
<tr>
<th>Week of</th>
<th>ASSIGNMENT</th>
<th>dates &amp; times</th>
<th>Law &amp; The Accountant BUL 5332</th>
<th>per chapter</th>
<th>GLEIM</th>
<th>Instructor</th>
<th>number of</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 5</td>
<td>Chapters 10, 11, 14, 15</td>
<td>Practice quiz before Wed 1/7 5pm</td>
<td>13,11, 5.6</td>
<td>reg 17.1-17.3 &amp; 17.9-17.12</td>
<td>16,19,21,15</td>
<td>2,2.2,2</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Ch 16,18,19,20</td>
<td>QUIZ 1 1/17 8am-20am</td>
<td>Contracts</td>
<td>5.5,4.5</td>
<td>reg 18.1-18.6</td>
<td>17,17,9,10</td>
<td>1,1.2,1</td>
</tr>
<tr>
<td>19</td>
<td>Ch 22,23, 24</td>
<td>Negotiable Instruments</td>
<td>7.13,6</td>
<td>19.1-19.5</td>
<td>16,18,11</td>
<td>2,3.2</td>
<td></td>
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<tr>
<td>Feb 26</td>
<td>EXAM I - On LINE</td>
<td>EXAM 1 1/31 8am-9:15 am</td>
<td>40 MULTIPLE CHOICE QUESTIONS - Makeup 10 Essay</td>
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<td>3</td>
<td>Ch 27</td>
<td>Secured Transactions</td>
<td>13</td>
<td>reg 18.7-18.10</td>
<td>29</td>
<td>6</td>
<td></td>
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<tr>
<td>9</td>
<td>Ch 28</td>
<td>Bankruptcy</td>
<td>23</td>
<td>reg 20</td>
<td>54</td>
<td>10</td>
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<tr>
<td>16</td>
<td>CH 29,30</td>
<td>Agency</td>
<td>6.10</td>
<td>reg 18.1-16.4</td>
<td>17.19</td>
<td>2,3</td>
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</tr>
<tr>
<td>23</td>
<td>Mini Quiz 2 On LINE</td>
<td>Quiz 2 2/28 8am-8:20 am</td>
<td>Corporations</td>
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<tr>
<td>16</td>
<td>CH 35,37</td>
<td>Proprietorships &amp; GP’s, LP’s and LLC’s</td>
<td>3,7,5</td>
<td>reg 14</td>
<td>17,20,20</td>
<td>1,3,2</td>
<td></td>
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<tr>
<td>Mar 30</td>
<td>Exam 3/21 8am-9:15 am</td>
<td>40 MULTIPLE CHOICE QUESTIONS - Makeup 10 Essay</td>
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<tr>
<td>30</td>
<td>Cumulative MAXI quiz 60 points on Line - 30 MC questions</td>
<td>Maxi Quiz 4/4 8am-9:30 am</td>
<td>Negligence, CPA &amp; The Law, SEC Regulations</td>
<td>2.19,7</td>
<td>reg 2.1-2.5</td>
<td>11,23,19</td>
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<tr>
<td>April 13</td>
<td>Ch 5,51. 41</td>
<td>Extra Credit Quiz 4/18 8am-8:15am</td>
<td>Antitrust, Employment Law, EEOC, Intellectual Property</td>
<td>4.2,2,4</td>
<td>reg 16.5-16.8</td>
<td>14,11,20,9</td>
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<tr>
<td>20</td>
<td>Fourth Quiz on Canvas 30 points, 45 minutes</td>
<td>Quiz 4 4/25 8am-9am</td>
<td>Final Quiz 12/6 8am-9am</td>
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<td>20</td>
<td>Good Luck on your exams and have a nice holiday</td>
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<td>20</td>
<td>2 Exams 160 points</td>
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<td>20</td>
<td>2 MINI QUIZZES 10 points each = 20 points total on Canvas</td>
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<td>20</td>
<td>Cumulative quiz 60 points on Canvas</td>
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<td>20</td>
<td>Test yourself after each chapter with the Glei</td>
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<td>20</td>
<td>If you miss more than 10% of the questions, read materials again.</td>
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<td>20</td>
<td>All quizzes and exams are on line and will end at the end time provided</td>
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<td>20</td>
<td>You need to earn 288 points to receive an A in this course.</td>
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<td>20</td>
<td>All material assigned on week of test is included in the Saturday test.</td>
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<td>20</td>
<td>Lectures located on</td>
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<td>20</td>
<td>Drop Date : March 21, 2015</td>
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<td>20</td>
<td>All material assigned on week of test is included in the Saturday test.</td>
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