



# Keeping Your Head When a Client Loses Theirs

---

Jeffrey A. Schneider

\*\*\*

When a client receives that dreaded certified letter informing them that one or more years of returns are being audited, their first thought is “OMG. How can this happen to me? I only fudged a few things.” Even when they get “only” a CP-2000, the fear they feel is real as they do not understand why the IRS is asking for more money. If they use a tax professional (or even an off the shelf program), they will blame everyone and everything but themselves. Though no tax professional is infallible, in my experience, a vast majority of the time, the reason for the notice is taxpayer error (“Oops, I did not give this to you” or “I never received that 1099”).

If the taxpayer is a former client, they just show up. If it is a new person, they tend to call. So, what do we, as tax professionals, do when a client, new or existing, comes in to the office in a panic? I will describe what to do in two separate lists. The first is related to us as tax and accounting professionals, with the second talking about you and the client.

## For the Tax Professional

---

If it is an existing client, any tax preparer with a PTIN can help them. If it is a new client, you can advise, but you cannot represent them before the IRS unless you are an Enrolled Agent, CPA or Attorney. In any case, make sure that your AFSP certificate, your EA, or CPA, license is current. Most of all, you must be sure that you have renewed your PTIN annually. There is no cost to renew your PTIN and it is super easy, so there is no excuse. All you need do is go to this link: <https://rpr.irs.gov/datamart/mainMenuUSIRS.do> and renewing is simple.

Make sure that your continuing education related to audits and alternative collections is up to date. As much as things stay the same, everything is constantly changing, from the national and local standards to the Internal Revenue Manual (IRM). Keep the IRM handy. As one of my past instructors always says, “You need to know their job better than they do”.

Do not give away the farm. Get a retainer for work to be done and a detailed engagement letter that stipulates exactly what you will and won't do and especially, what is expected of the client before you start telling him/her what you will do and how.

## How to handle the Client

---

Offer the client a drink. Nothing calms an upset client more than a glass of water or cup of coffee. Offering the upset taxpayer a beverage sets the mood for a more calming environment.

This may sound silly, but have a box of tissues handy. I have been in many a situation, be it due to an audit notice or going over what

*Continued on the following page*

is needed to prepare several years of back returns. I have dealt with new clients that had to file several years, and in those years, they have gone through one or more traumatic events (i.e., death, divorce, loss of a home, etc.). You will be able to deal with the tears.

Many times, the client tends to clam up, meaning getting information is like pulling teeth. It can be very painful, not only for them, but for you. You must be patient.

Be confident. Make sure that you convey that you are in complete control of the situation.

Do not say anything that the client may interpret as you placing blame. The client can be audited just because they are unlucky. In the situation of a notice, it could very well be the client's fault, but do not pass judgment.

Be confident. Make sure that you convey that you are in complete control of the situation. Your client can pick up any vibes of your own fear and insecurities.

Do not take on an engagement that you are not fully able to take on. Not only in terms of ability, but in terms of giving the time the client and the case needs.

I have been in this field many years and I have taken on cases that I could not give my all to until the very last minute. That is not doing anyone any good, you or the client. Make sure you have a good handle on what must be done and how long it may take for you to complete the job. Once that is done, you need to make sure that you and the client understand this and it can be done.

Anytime you deal with a client as it relates to taxpayer representation, it can be very emotional. You just can't get emotional. Leave that to the client.

#### About the Author:



**Jeffrey A. Schneider, EA, CTRS, NTPI Fellow** has been in the field of taxation for over thirty-five years working for multi-national companies and has been in private practice full time since 1999. He's been a member of National Association of Enrolled Agents (NAEA), the Florida Society of Enrolled Agents (FSEA), American Society of Tax Problem Solvers (ASTPS) and the National Association of Tax Practitioners (NATP). He is a past president of the Florida Society of Enrolled Agents (2013/2014) and is a former President of the Treasure Coast (2013/2015) and Palm Beach Chapters (2009/2010 & 2010/2011) of the FSEA. He was a two term member of NAEA's National Board of Directors (2014-2016 & 2016-2018).

Schneider is also the author of guide book, *Now What? I got a Tax Notice from the IRS. Help!*, the first in a series of "Now What, Help!" books.

And most recently, Jeffrey was honored to be selected to the Internal Revenue Service Advisory Council (OPR Subgroup) for the next three years.