



# SDSU Student Accounting Society

## Meeting Minutes: Franchise Tax Board

October 23, 2017

### **Presenters:**

Dan Tax auditor

### **Presentation:**

What FTB does?

- Advertising tax returns

CPA you audit state there is clients

FTB there is no clients

- More autonomy you speak with lawyers and partners

CPA advice

- Get it done as soon as possible

Benefits

- 40 hour work week
- Anything after 40 you get overtime pay
- You can work from home

You cant stop after the batchelors if you are going to CPA firms

Jobs are constantly being offered in the state for lateral growth

FTB is IRS of california

- In school it's personal income tax
- After school its corporation taxes
- Bigger accounting firms use 1120,

-

### **Questions:**

Why did you chose to go to FTB?

Did an internship with Grant Thornton, there are a lot of lateral movements. An auditor is an investigator (nexus, fed laws, detailed activities, getting source documents). He liked the investigating like being a police officer working with accountants. His job tax return comes in, they look at face value and schedules and figure out if it is visible. It comes down to reasonable and materiality. Audit and tax are what you can do at a CPA firm. When the people are in the middle of 80 hour

Interesting Facts:

- Auditors are really good guys, some come up with some weird schemes
- Tax experts are going to be used in decision
- Section 482 - 100 pages of writings in taxes
- Finance and accounting are writing also
- Income tax audit is two years (some cases can have 1000's of hours logged)

At recruiting stages what would you do different?

I wouldn't have applied to as many audit companies. After a few years I prefer tax over audit. I only applied to audit positions. Do your due diligence about each subject and know that there is a lot of writing in taxes. Big 4 has a lot of articles and briefing. Be flexible when looking at jobs. There are many jobs that you can use your accounting degree, I am realizing it now. Look outside. Ca.jobs.com is the jobs where they are looking for accounting jobs. Healthcare is becoming more of an issue and the state is working on being better. Look to the future for your first job out of school. Look

How does work flow begin?

You will see dots on returns, most of it is on e-file. Materiality is key, it takes a lot of resources. Ask yourself if it looks reasonable and if it looks reasonable. I spend a lot of time googling to see what people do. You can't see source documents. Send out a letter, then IDR (information of what you're asking for). Didn't know that they don't always send information and ask for more documents. Some do not have the documents, it's like investigating a tax return. There is intuition going into it, what to ask for, going with gut feeling. There is

How do you determine what is material?

It is statutory issues that they have to fix

How does the relationship with the IRS and FTB?

1099 needs to be on return, then it would be a letter. They have a fed state department. When the IRS audits and assesses the company. FTB complies with the IRC, there is a close relationship with the IRS, he can get information from them to ask the company why they misstated income. CA and NY are the bigger states.

What degree would technology impact tax returns?

Technology is huge, with data mining. Auditors know what people are thinking, how are they going to use it. The more advanced technology and the more data mined the audit staff may be lower because it can get caught over. When board minutes are taken there are what the meeting was about. Companies do not always like to give it up. The challenge would be people ok with giving data

As a career path for auditing?

Collections collects money, FTB has 6000 employees, For me, you can continue in audit and there is administrative side that goes up to CEO, division chief. The governor's office is close because the money comes from FTB. The biggest problem is you can only go up to Sacramento. Organizational chart is the same

What is your favorite part of your job?

investigative aspect you have to find your audit work and how to book your hours.

On Average how long does it take to move up?

Being able to work from home is great. The autonomy of tax prep, file cabinet of tax and make a return. I hate unity but i don't have to do that. Choose what issues to work. The initial period after 1 year, after range B, tax auditor takes 3-5 years and then you decide if you go administrative or program specialist. There is a huge academic side to taxes

What do you look for in candidates?

The differences for us, you never have to worry about CPE credit. You can have a bachelor's. They offer discounts. There is no timeline to have the CPA

What is the pay like?

Everything takes forever and the pay is lousy (44,000). Pay is what it is going to be on the outside. FTB is a part of a union. After a year about 55,000. After 6 years you can get 6 figures. 401K is taken care of for you at the state level. With union raises you can get more. Pay can be variable.

How would someone apply?

Jobs.ca.gov is all jobs at the state level, use keywords all companies are required to post when there is a job at state agencies. Take advantage of it coming out of school. You can email me.