

Subject: Misclassified Payroll

At the June 2024 Board meeting Vicki Violet, Treasurer, announced that on or about May 15, 2024, IRS Form 3949-A, Information Referral, was filed with the Internal Revenue Service. The purpose of this form is to report tax law violations.

This was a rather odd response to the discovery of the misclassification of payroll. As the financial officer of the Association, it is her responsibility to arrange to make the appropriate corrections to the payroll records.

When an employer, such as ACC, discovers that payroll has been reported incorrectly, the normal approach is to file amended payroll tax reports making the appropriate changes. Accusing the Association of a tax violation is both counterproductive and alarming.

Since the Association has hired the CPA firm of Moore, Lyles, McCarty & McGilvray to provide monthly bookkeeping and financial reporting services, it would be appropriate to retain them to also prepare the amended payroll tax returns for the periods involved. Presumably, the firm has the expertise and resources to complete such an assignment.

Sid & Terry Glandon

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