

**What's Next-Now That the Flood Waters Have Gone Down?**  
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We are all looking at the devastation and aftermath of Hurricane Irma, and wonder how are we ever going to recover.

**Take a deep breath and pace yourself!**

This has happened before and the communities have recovered. I know it is easier said than done. Everyone's comfort zone has disappeared.

AICPA and others are working to get you the resources to assist in the recovery and get all the tax returns filed.

**Personal Matters**

First, get a plan to have a place to live and start the recovery phase of your personal life. If your home flooded, register with FEMA, contact your insurance company, and start the remediation process by limiting the damage and getting 3 contractor bids. Get a large envelope or plastic freezer bag that you can use to keep the many small receipts for clean-up and repair supplies that are already adding up. This is the most important part of restoring a comfort zone for your life.

**Business Matters**

Second, start the recovery phase of your practice. Contact all clients and assure them that you are there to assist them in the recovery phase of their businesses, and will be available to help with recovery and the filing of the necessary tax forms to claim a casualty loss deduction.

Communicate to clients that an important part of the recovery process and tax deduction is to have good records. These will be needed for income tax purposes and may be needed for insurance and FEMA purposes. Many CPAs and insurance professionals recommend having a claims diary or workbook. One method we have used in the past is to have notebook or binder with zippers and a tablet that can be purchased at any retail source. In the front of the book, keep track of claims numbers, contact information on contractors, other important items, and reference material accumulated. In the back of the book, receipts for out of pocket expenses (cleaning supplies, food, travel, etc.) can be kept for future reference. Substantiation will be needed for tax deductions and could be needed for insurance purposes.

**IRS Matters**

IRS issued Notice VI 2017-01 to provide relief for victims of Hurricane Irma that took place starting on September 5, 2017. Included in VI 2017-01 are: St. Thomas and St. John islands

IRS uses zip codes to code taxpayer accounts as affected by the disaster. All taxpayer with addresses that include zip codes in the counties specified by FEMA will have their account coded with a freeze until January 31, 2018.

CPAs with clients on extension with zip codes outside of the disaster area but whose records are located in the disaster area also qualify for relief under Code Section 7508A. CPAs must call the IRS disaster hotline at 866-562-5227 to request this tax relief. Without a Form 2848 for the taxpayer, IRS disaster hotline assistors can record information on up to ten taxpayers per call. They cannot discuss any particular issues with the taxpayer's account without a Form 2848 on file. They can only record information you provide. It may be an idea to get a Form 2848 for these taxpayers not in the disaster area for future use in dealing with IRS.

Additional information on the IRS procedure is available in the Internal Revenue Manual 21.5.6.4.30.

### **Use of Social Media**

Social media is the fastest way to communicate information today. If you don't have a Facebook page, then get one. You can post information as it comes out. Nearly everyone has a PDA capable of accessing Facebook. Encourage clients to make use of social media resources. It is the fastest way to communicate necessary information after a disaster. Church groups, neighborhood groups and associations, condo associations should all consider using it to inform their members.

The recovery phase will be constantly changing. Examples of items communicated in previous disasters are:

- When FEMA resources show up in the neighborhood
- Changes in FEMA programs that affect you
- Where building and cleaning supplies are available
- Who is and isn't a trusted contractor or other clean up resource
- How and where other aid may be being provided.

***Good Luck!***