

The Legal Link

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Arkansas
Chapter

The Legal Link

MISSION STATEMENT

- Promote and enhance the competence and professionalism of all members of the legal management team;
- Improve the quality of management in law firms and other legal service organizations; and
- Represent professional legal management and managers to the legal community and to the community at large.



President's Message

It's spring again, a time for new beginnings and a time for our ALA chapter to bring new leaders on board. As a 20-year veteran of ALA, it was time for me to stretch and grow and to tackle the challenges of serving as President. As Angela indicated in her final President's Message, it is difficult for introverts such as the two of us to step into such an intimidating role. For many, it is an easy step. It was a much easier step for Angela than for me. She courageously stepped up as President after only a short time as a member and a Board member. For me, it was a 20-year journey and lots of baby steps, such as editing our newsletter and our cookbook, working on the Business Partner Forum Committee, and serving as secretary and vice president. Each of those projects and positions helped prepare me to step into an even bigger role and, hopefully, to do an adequate job as president.

The Chapter Leadership Institute Angela and I attended in Atlanta last year provided relevant information to lead our chapter. After hearing problems and concerns other chapter leaders had, we came back with an even greater appreciation of the great group of leaders who have shaped and formed the Arkansas Chapter. It was clear that past leaders of the Arkansas Chapter had done an excellent job and that we had big shoes to fill.

I look forward to attending Annual Conference in Toronto. I know that I will learn things that will help me not only personally, but also in leadership of my firm and in leadership of our chapter.

I challenge each of our newer members to get involved in our local chapter and to take advantage of every opportunity to expand your horizons. Initially, challenge yourself to attend every meeting you possibly can. As opportunities present themselves, take advantage of them and give yourself an opportunity to advance. In the process, you will develop greater friendships and learn additional things that you can use in every aspect of your life. I look forward to working with each of you on our continued path of development.



*Arkansas Chapter
President Diane
Smith*



Inside this issue:

Member Spotlight	4-6
Having a Bad IT Day?	7-8
ALA Board Members & Committees	9-10
Business Partners	11
What's the Best Way to Work Remotely?	13-14
Calendar of Events	15-16
Retirement FUN!	18-19
Retirement Plans	21-22
ALA Annual Conference Information	23-24



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Member Spotlight: Angela Falco

Tell us about your background, where you grew up and then transition into your career. I was raised in Nashville, Arkansas. After graduation, I attended Henderson State University, Arkadelphia, Arkansas, where I earned a degree in Accounting with emphasis in Management. After graduation, I managed a law firm in Arkadelphia for a few years prior to moving to Little Rock. I have managed Watts, Donovan & Tilley, P.A., for thirteen years.

Tell us about your family. I met my husband, John Falco, while attending Henderson. We have been happily married for 20 years and have three children and one son-in-law, who all keep us very busy.

How did you begin your career in the legal field? I worked my way through college at Hardee's Restaurant, Arkadelphia, Arkansas. Upon graduating college, I could not find a job. One of my regular customers, who happened to be a lawyer, felt sorry for me and gave me one. The jury is still out on whether or not I should thank him!

What are your main responsibilities? My main responsibility is to make certain the office runs smoothly . . . whatever that may entail. I set up processes, research new technology, monitor servers, organize positions, oversee all support staff and their functions, troubleshoot billing problems, reconcile bank statements, produce and review financial statements, handle attorney/staff issues, and facilitate monthly training sessions.

How would your attorneys and staff describe you? I think my attorneys and staff would describe me as tough, but fair.

What is the best professional advice you ever received? The best professional advice I have ever received is, "leave it at the door."

What is the most interesting job you ever had? Being a legal administrator is definitely the most interesting job I have had.

What do you like best about being a legal administrator? The best thing about being a legal administrator is creating a work environment that is both positive and efficient - two of my favorite things!

If you weren't a legal administrator, what would you do? If I weren't a legal administrator, didn't have to work, and my children were grown, I would love to sail the seven seas with my hubby!



Member Spotlight (cont.)

What is the hardest situation you have had to deal with in your career? The hardest situation that I have had to deal with since beginning my career was the unexpected death of an employee.

What are your outside activities? I enjoy playing table tennis in a league in Sherwood and pool in a league in Saline County. I also enjoy lounging by the pool with a good book while my family plays in it.

What do you enjoy most about your affiliation with ALA? The thing I enjoy most about my affiliation with ALA is realizing I'm not alone. Although it may be on a different scale, we each deal with essentially the same situations.

How has ALA benefitted you? ALA has benefitted me most through education. I ignored the membership requests for many years because I simply did not have time to join. Since joining, it has become painfully obvious that I have wasted an inordinate amount of time by not joining sooner. The amount of time I have "spent" on ALA pales in comparison to the amount of time it would have taken to research on my own any one topic that we have covered.

New Challenges. *New Solutions.*

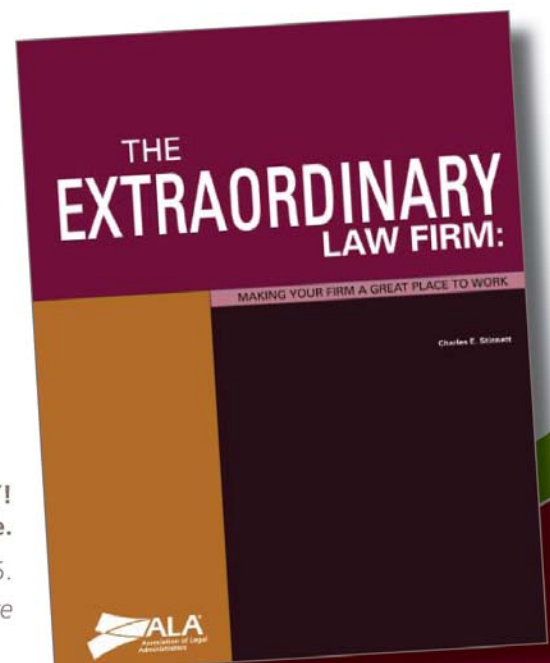


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Member Spotlight (cont.)

My favorite book is... Currently, my favorite books are The Hunger Games trilogy.

What is a word you dislike? I dislike "shut up." I find it offensive and disrespectful.

A sound or noise I hate is... I detest the sound of whining.

Outside of my family, my most treasured belonging is... I am ashamed to say that my most treasured belonging apart from my family is my iPad. :)

My favorite movies are... My favorite movies are full of action packed fun such as True Lies, The Rock, The Ref, and Rat Race.



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HAVING A BAD “IT” DAY?

By Tom Allen, Mainstream Technologies

If you're like most business professionals, you just want technology to work properly, without interruption so you can take care of your firm's core business needs! Unfortunately, the “minister of technology” at business enterprises often acts more like a fireman constantly putting out fires as they wrestle with a host of IT issues. Does this sound like you?



1. Who do I trust?

Unless you happen to be steeped in IT knowledge and experience, you may not know (or want to!) all the ins and outs of the firm's IT system. You may find yourself wondering: Do we have all the proper components in our system? Is it all current? Are all the components of our IT system compatible with each other so that they work and function properly together? Are we getting the proper consultation for all our technology needs? Where do we get professional instruction moving forward?

2. Who do I call for troubleshooting?

When one or more users in the firm pulls the disaster alarm because something is not working properly or, worse, shuts down altogether, your first thought is probably who do I turn to? Is it a PC issue? Is it our phones? Is it our server? A core application? Our copier? Our Internet access? Do I really have to call several different parties at once, only to have them point the finger at each other?

3. Is our data secure?

Do we have a source that can ensure that our data is secure in the event of a disaster? Are there any proactive steps we can take to minimize the risks to our data security?

4. Is the cost of IT running amok?

If we don't have an IT budget, should we? Are IT costs out of control, running in peaks and valleys? Are we at risk of needing a major IT overhaul and not being able to afford it?

A NEW VISION: YOU'RE THE MASTER OF IT

There are professional IT providers who can manage your entire IT system for you. The solutions and service offerings can include the following:

- **IT Audit:** The purpose of this process is to create an efficient IT infrastructure. It will document every component connected to the network (PCs, copiers, Internet provider, Core applications) so when problems do arise, your provider can readily identify the root cause for faster solutions.
- **Single Point of Contact:** The right IT contractor will be able to address all of your IT issues personally, or will facilitate and engage



HAVING A BAD “IT” DAY? (cont.)

with the proper third parties. For example, if they identify the problem as a copier issue, they will engage with the proper copier technicians to provide a final solution.

- **Data Security:** This should be addressed in your audit to ensure that you’re secure from viruses, Malware, internal and external attacks, and also develop an external backup solution to secure your data in event of disaster.
- **IT Budget/Plan:** Finally, after everything is documented in the Audit (work stations, servers, software, 3rd party products, etc.), you and your provider can develop a multi-year technology plan. The Plan will include services from top to bottom, from the strategic to the mundane:
 - Help Desk Network Monitoring and Management
 - Offsite backup and recovery services
 - Immediate Problem resolution and on-going consulting service
 - Scheduled Maintenance schedule upgrades
 - Schedules for PC and server upgrades
 - Monthly services [Examples: monthly OS patches, security patches, documenting changes, application patching and maintenance]

When completed, you’ll have an IT budget for the next several years that you can plan for, so you will not have any unwelcome expenses.

FINDING THE RIGHT PROFESSIONAL

Should you decide to contract with a professional IT provider, here are some guidelines to use in your vetting process.

- Do they have the ability to do all the planning, organizing, and documenting to provide a multi-year plan?
- Can they provide all the comprehensive services you require for a flat, fixed rate?
- Do they have the capability for all IT solutions, including leveraging the cloud, to help manage IT expense?
- Do they offer a comprehensive security plan that includes best practices methods [SPAM, password management, antivirus, Malware, intrusion prevention etc.], plus offer an offsite backup location?
- What level of certifications and accreditations do they hold, i.e.: SSAE 16 Type II and MSP?



Finally, outsourcing is an opportunity to bring value to your business and cultivate an additional partner with complementary skill sets and resources. The advantage of outsourcing is that you can receive a wide variety of skill sets and only have to pay for the provider’s services as you use them.

Tom Allen is Director of IT Business Development with Mainstream Technologies, Inc., which is headquartered in Little Rock, Arkansas. Mainstream provides Managed Services, Custom Software, and Hosting to businesses throughout the U.S. He can be reached at 501-801-6739 or by email at tom.allen@mainstream-tech.com.



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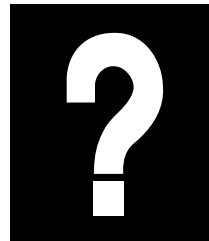
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If you are interested in chairing this new committee, please contact Diane Smith.



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What's the Best Way to Work Remotely?

By Dave Kinsey, President, Total Networks

It seems like everyone is connected to the office by smartphones, iPads, and Android tablets are all the rage. These items can be very functional and helpful. However, ensuring basic rock-solid communication for times when you want to sit down and work remotely is typically less flashy. Don't get me wrong - I love the iPad app that connects into iManage Document Management just as much as the next guy (OK, more than the next guy). It's great for pulling up info you might want during a deposition or in court or wherever you are on the run. The things you can do with your phone or tablet can be downright impressive if setup properly. Nevertheless, most people are not going to sit down with an iPad to spend hours remotely reviewing and editing a document.

Remote access options are commonplace; yet, I find that many firms have a less than ideal arrangement for these basic services. A little while back, I began working with a law firm with multiple offices and "road warrior" attorneys traveling across the country. They had poor remote access, and one of the very first things we did was correct this by implementing Terminal Server (which was the most appropriate solution for the particular needs of their firm). The partner responsible for the decision commented, "I wish someone had talked me into fixing this years ago."

Let's first consider three popular methods that people employ for basic, everyday remote access: VPN, Remote Web Workplace (you may see this referred to as Remote Web Access, which is the newer name, but most still know this as Remote Web Workplace), and Terminal Server. We'll review how each of these work and things you should consider.

VPN stands for Virtual Private Network and is actually used to describe two distinct technologies: Site-to-Site VPN and Client VPN. Site-to-Site VPN connects multiple offices together via network devices at each location. Site-to-Site VPN is fairly reliable and can be very useful to connect multiple office locations together. An entirely different VPN, called Client VPN, connects remote PCs into an office network. Client VPN tends to be more prone to issues. I generally recommend avoiding Client VPN (it can work, but it's fundamentally less robust than other solutions). In very limited situations, Total Networks will implement and support the most modern type of Client VPN, called SSL Client VPN (built on web browser communication, which is more reliable than the more commonplace, older-style client VPN). This works and supports general purpose access, but is never our recommended approach due to reliability and performance limitations inherent in any client VPN solution.

I recommend two extremely robust alternatives (which are also common throughout many firms): Remote Web Workplace (RWW) and Terminal Server (TS). If you exclusively use desktop systems in your office, RWW is an extremely reliable and cost-effective option for remote access. If you have laptop users who primarily use a laptop in the office that they then take home, then TS is the recommended approach.



Continued on next page

Working Remotely (cont.)

RWW is an extremely easy-to-use functionality built into Microsoft Small Business Server (which is the foundation of many business' networks). If you do not have Small Business Server, there are extremely cost-effective options that use a similar approach to RWW. With RWW, you access your PC in the office from a remote PC. This can work not only from remote PCs, but from portable devices such as tablets (it can work from phones as well, but the screen size limits the usefulness of this). This is a great solution; but, if you don't have a PC that you leave in the office but, rather, have a laptop you take home, this doesn't work, and TS is the appropriate solution.

TS is a separate shared server that provides a remote desktop experience much like RWW does, except that you do not need to have a PC in the office to which to connect. You can access TS with a laptop, home PC, tablet or smartphone. It's also worth mentioning Citrix, since some people still use Citrix and are familiar with this term today. TS has its foundations over 20 years ago as a solution by Citrix Systems under a licensing agreement with Microsoft. For the past decade or so, Microsoft has been providing this functionality directly, while Citrix now provides limited enhanced functionality layered on top of TS and is targeted toward very large organizations. Citrix is often no longer needed since TS alone provides the functionality that satisfies the remote access needs of most firms. If you are still paying for Citrix maintenance today, you may be able to get rid of this and reduce your costs.

Due to the various options, and the technical nature of the issue, I know that remote connectivity options can be a little confusing. If you have any questions or would just like a simple validation of what you're doing, send me a note at dkinsey@totalnetworks.com and I'd be happy to help.

A photograph of a person's hands holding a magnifying glass over a document. The person is wearing a blue shirt. The background is blurred. The RICOH logo and tagline 'imagine. change.' are in the top right corner. A pink speech bubble contains the text: 'Those who know demand Ricoh for eDiscovery.' At the bottom, there is a paragraph of text and a website URL.

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April 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3 Webinar: 24/7 Surviving or Thriving	4	5
6	7	8	9 Business Meeting	10	11	12
13	14	15	16 Webinar: Working on Excel Pivot Tables	17	18	19
20	21	22	23	24	25	26
27	28	29	30			



May 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1 Webinar: Leading with Integrity	2 LoRraine's Birthday	3
4	5	6	7	8	9	10
11	12	13	14 Business Meeting	15	16	17
18	19 Carolyn's Birthday & ALA Annual Conference	20 ALA Annual Conference	21 ALA Annual Conference	22 ALA Annual Conference	23	24 Karen's Birthday
25	26	27	28	29	30	31



LawMed Insurance Group, Inc.

SCHEDULE OF EVENTS

- April 3—Webinar: 24/7 Surviving or Thriving
- April 9—Business Meeting
- April 16—Webinar: Working on Excel Pivot Tables
- May 1—Webinar: Leading with Integrity
- May 2—LoRraine Rowland's Birthday
- May 14—Business Meeting
- May 19—Carolyn Owens' Birthday
- May 19-22— ALA Annual Conference in Toronto
- May 24—Karen Suel's Birthday
- June 7—Donna Blacklaw's Birthday
- June 8—Paula Anderson's Birthday
- June 11—Business Meeting



June 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7 <i>Donna's Birthday</i>
8 <i>Paula's Birthday</i>	9	10	11 <i>Business Meeting</i>	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				



Business Meeting Topics

APRIL

Will Windows XP Ending Support Affect Your HIPAA Compliance?

MAY

To Be Determined

JUNE

Annual Meeting & Regional Council Representative Reports

Spring Cleaning Tips

- Clean your Houseplants.** Plants need showers, too, when dusty or dried out by indoor heating. Use a shower-head attachment to spray large plants lightly with tepid water. For small, delicate plants, wrap the pots in paper towels (secured with a clip), then turn plants upside down, gently swishing the leaves in a pot of water.
- Clean your lampshades.** Here's a bright idea: Keep your fabric lampshades dust-free with an adhesive lint roller. Hold the shade steady, and pass the roller over the exterior.
- Clean your ceiling fan blades.** Take an old pillowcase and slip it over each blade to clean the dust off. The dust will get trapped inside the pillowcase. Throw the pillowcase in the wash. Presto!
- Swap paper towels for newspaper.** Paper towels are not always the most effective for wiping surfaces, especially glass. There's oil on glass, and that's what makes it streak. While paper towels simply smear the oil, newspapers can penetrate it, making the glass shinier.



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CONGRATULATIONS, MARY!

Mary Coney retired from the Arkansas Insurance Department on Friday, January 31, 2014. Her colleagues threw her a festive party to celebrate her 25 years, 2 months, and 3 days with the Department. Mary has plans to enjoy her retirement by traveling to Italy in the fall. Mary has served our chapter in the past as the Newsletter Editor and as President. She will be missed by all.



Left: Diane Smith, Vivian Koettel, Mary Coney, Michelle Tyree, and LoR-raine Rowland celebrate Mary's retirement.



Above: Mary Coney and Carolyn Owen



Right: Mary's shirt: Goodbye Tension! Hello Pension!

Below: Mary receiving a plaque celebrating her time at the Department.



HELLO RETIREMENT/GOOD BYE WORK!!

To all my Friends at ALA,

As you all know, I am retiring in May of this year. I have worked with the same attorneys since 1975! I have also been associated with ALA on and off for almost as many years. It is going to be a huge change for me, and I am looking forward to it. I hope to do some gardening, traveling, fishing, and playing with my grandchildren at the lake. I will also do a little volunteer work, maybe a **small** part-time job occasionally, and be more involved in my church.

My first job in 1967 was with Barber, Henry, Thurman, McCaskill & Amsler (now The Barber Firm). My first “typewriter” was a manual Underwood. Within several months, though, I got an electric typewriter! We made carbon copies (at least 6 copies of pleadings) and I would go home with carbon all along the side of my hand and arm because when I made a mistake, I had to erase it six times! Wow, how time has changed things. Thank goodness!

The legal profession has been very good to me throughout the years. I have learned a lot, made lots of friends, and worked very hard. The ladies at ALA have helped me by being there when I had a question, educated me by putting on great educational programs, and being good friends that I could always count on, all while showing courtesy and professionalism to any new person who attended our meetings. My attorneys always listened when I could precede a request or suggestion with, “My ALA ladies agree that this is a good way to...”

Thank you all for the support and friendship you have given me over the years. I will always remember the conferences, CCW projects, bar meetings, and vendor seminars we have experienced together, not to mention the meetings every month. It has been fun!

Love you ladies,

Donna

CONGRATULATIONS,
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Is Your Retirement Plan Operating Correctly?

Avoiding Government Audits and the Massive Penalties that Can Result

Plan providers often find that plan sponsors don't seem to care as much as one might expect about whether or not their plan is being operated correctly. That changes quickly when they are audited by the Internal Revenue Service (IRS) or Department of Labor (DOL). In 2013, American employers were penalized \$1.69 billion by DOL alone for retirement plan problems. According to the IRS, here are ten of the more common errors that plan sponsors need to find and correct before the government does it for them.

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Failure to timely amend plan documents. The Internal Revenue Code (IRC) and Treasury Regulations are updated and rewritten constantly. Qualified retirement plans are required to comply with current law, which could mean a plan amendment or new plan documents every five to six years. Regardless of what has changed in a law, plan sponsors must update all documents in a timely manner. One of the first things a government auditor asks for are copies of plan documents, and failure to have the requisite timely adopted amendments will trigger a substantial penalty. Plan sponsors should make sure all plan documents are up to date by contacting an ERISA attorney and/or their third party administrator (TPA). ([IRS Rev. Proc. 2007-44, Section 6](#))

Failure to have adequate fidelity bonding. All fiduciaries of a retirement plan subject to ERISA must be bonded, at no less than 10 percent of plan assets, with a minimum bond of \$1,000 and a maximum of \$500,000. Not having a fidelity bond in place, which must be noted on Form 5500, is by itself a trigger for a government audit. ([ERISA § 412](#); [29 C.F.R. § 2550.412-1](#) and [29 C.F.R. Part 2580](#))

Failure to follow plan terms for loans and distributions. Loans and distributions allow plan participants to tap their retirement account balance. Unfortunately, the process can be ripe for TPA error. For loans, mistakes may include incorrect loan terms, more loans outstanding than the plan allows, or failure to require repayments at least quarterly by the participant. For plan distributions, there may be errors in the distribution amount or in the form of payment compared to plan terms. ([IRC Section 72\(p\)\(2\)](#))

Failure to follow plan terms for allocating contributions and forfeitures. Every retirement plan must have a clearly determinable formula for employer contributions. The TPA may make an allocation error in how contributions are made or in who is entitled to make one, or fail to properly allocate forfeitures (especially when the plan requires annual reallocation). ([26 CFR 1.401\(a\)\(4\)-1](#))

Failure to properly complete nondiscrimination tests. Retirement plan administration requires technical, mathematical compliance tests to ensure that the plan does not discriminate in favor of highly compensated employees. These include tests for salary deferrals, matching contributions, 'top heavy' contributions, and coverage (how many employees benefit under the Plan). Tests can be done incorrectly based on bad data provided by the plan sponsor or wrong calculations by the TPA. Unless tests are reviewed, errors are usually not detected until either an audit takes place or the plan sponsor changes TPAs. ([26 CFR 1.401\(A\)\(4\)-1](#))

Failure to deposit elective deferrals on time. Over the past few years, many 401(k) plans have been penalized for late deposit of salary deferrals. The reason? Most of the plan sponsors involved had assumed, based on a wrong reading of prior guidance, that they only had to deposit participant salary deferrals by the 15th day of the following month. DOL's interpretation of the rule is that a plan sponsor needs to get salary deferrals into the plan before the next payroll; otherwise, the plan sponsor will be penalized and have to adjust incorrectly made deferrals to compensate for lost earnings. DOL does offer the Voluntary Fiduciary Correction Program, which leads to a far better result (for plan sponsors who realize they have made errors in timely deposit) than being caught on an audit. ([dol.gov/ebsa](#).)

Retirement Plan (cont.)

Failure to use the correct definition of compensation. Retirement plans can choose to recognize only certain forms of compensation for contribution purposes; for example, a plan sponsor can decide not to include participant bonuses or commissions when calculating plan contributions. When a plan sponsor adopts a compensation definition other than what's reported on the W-2 (with salary deferrals added back in), errors are more likely to occur. Use by the TPA of an incorrect compensation definition can lead to excesses in employee deferrals, employer contributions, and employer deductions, respectively. In addition, many plan compliance tests are dependent on using correct compensation figures. It is the plan sponsor's responsibility to make sure all parties involved are using the same definition of compensation. ([IRS Rev. Proc. 2008-50](#))

Failure to ensure plan contributions do not exceed applicable limits. A qualified retirement plan is all about limits: on recognized compensation, on contributions, and on how much a plan sponsor can deduct for contributions made. Unfortunately, when mistakes in calculating allocations are made, the plan sponsor may allocate too many contributions to a participant or deduct too much for employer contributions. Again, unless a plan sponsor has an independent plan review, such errors normally do not get detected until there is an audit or the TPA is replaced. ([IRC Section 415](#))

Failure to accurately calculate and distribute excess deferrals. Excess deferrals occur when plan participants defer more than allowed by the plan document, by the annual salary deferral limit, or by the actual deferral percentage discrimination test limit. Regardless of how it happened, the excess deferral needs to be refunded to the participant by April 15th of the following year. Many times excess deferrals are wrongly calculated (or not detected at all) because the discrimination test was done incorrectly (see above). If caught in an audit, the plan sponsor's failure to properly determine excess deferrals and to distribute them in timely fashion may result in substantial penalties. ([26 CFR § 1.402\(g\)-1\(e\)\(2\)](#))

Failure to file Form 5500 on time. Every retirement plan governed by ERISA must file IRS Form 5500 annually. Failure to file the return on time or at all eventually triggers massive penalties: for the IRS, \$25 per day, up to a maximum of \$15,000, and for the DOL, up to \$1,100 per day with no maximum. There is also no statute of limitations on failure to file. If a plan sponsor realizes they have not filed Form 5500 for any given year, they should immediately contract with a TPA to prepare and file the missing return under DOL's Voluntary Fiduciary Compliance Program (see above), the fees for which are far lower than these penalties.

([29 U.S. Code § 1024](#)) and dol.gov/ebsa)

If you, as a plan sponsor, get notification from the IRS and/or DOL of a pending retirement plan audit, it can be advisable to go through a mock audit with an ERISA attorney and/or TPA to find any glaring mistakes or problems that otherwise would be found on audit. Guidance is available from the IRS and DOL to self-correct most problems, or to correct them through voluntary compliance programs. Such guidance includes the [401\(k\) Plan Fix It Guide](#) as well as [various other programs and guides](#) to identify and resolve compliance issues.

Avoid the stiff penalties that can result from an agency audit. Find mistakes before the government does. Consulting with ERISA counsel and working with a qualified retirement plan administrator can be crucial steps in this process.

We would be pleased to discuss with you how we can help. Call DataPath Investment Advisors consultant Teresa Rambo, CRPS[®], PPC[™] at 501-355-0282 for more information.



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A leader is best when people barely know he exists, when his work is done, his aim fulfilled, they will say: we did it ourselves.

—Lao Tzu

You manage things; you lead people.

—Rear Admiral Grace Murray Hopper

The first responsibility of a leader is to define reality. The last is to say thank you. In between, the leader is a servant.

—Max DePree

A leader is one who knows the way, goes the way, and shows the way.

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