

NAEA Town Hall

June 14, 2023

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MISSION

To empower enrolled agents everywhere.

VISION

To build a dynamic and diverse collaborative community of sought-after tax professionals who make a difference in the lives of taxpayers.

CORE VALUES

- **Collaborative Community** – Work together to achieve positive outcomes for our members and the EA profession.
- **Equity and Inclusion** – Ensure fair and impartial processes and programs where everyone feels a sense of belonging.
- **Expertise** – Contribute to the advancement of the EA profession as subject matter experts, volunteers, and advocates of NAEA.
- **Integrity and Ethics** – Demonstrate strong principles, professionalism, and honesty.

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Strategic Plan: 3-year core focus areas

- **Members:** Strengthen services to support members and aid them in their professional journey.
- **Governance:** Examine and modify the governance model/structure for inclusion, collaboration, and transparency.
- **Advocacy:** Be the leading voice with governing bodies to address member challenges and affect change.

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NAEA Strategic Plan: Goals and Priorities for FY24

Membership Growth and Engagement

- Remove barriers to entry with component structure and governance changes
- Continued expansion of benefits and services
- Strategic partnerships
- Services for international EAs
- Creation of special interest groups
- Improve the volunteer experience and member recognition

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The EA Profession

IRS Active EAs

- 65,546
- 18.4% reside in California
- 3,856 are outside the US; the majority are in India
- Average pass rate for the SEE is 74.3% (according to www.ipasseaexam.com)

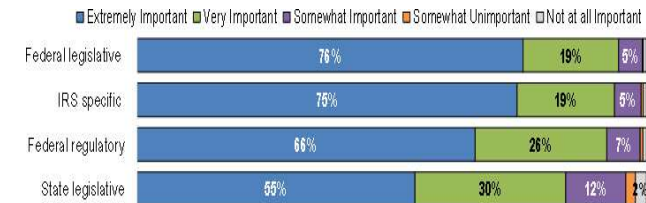
NAEA Membership

- 8,200 are NAEA members
- 1,432 reside in California
- Approximately 30 are outside the US

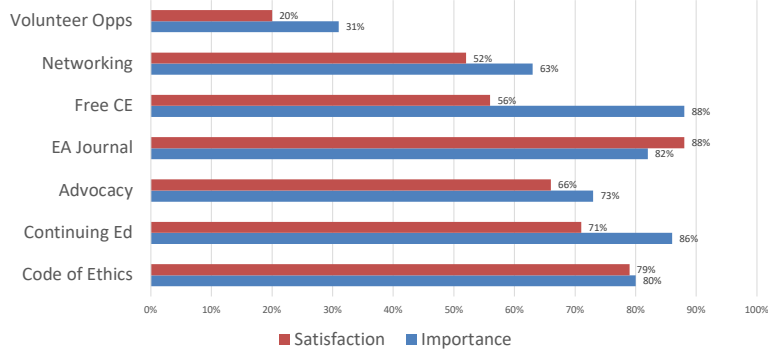
Only 12% of
Enrolled Agents
are NAEA
Members

2021 Member Survey

Importance of Levels of NAEA Advocacy on Behalf of EAs, Current Members

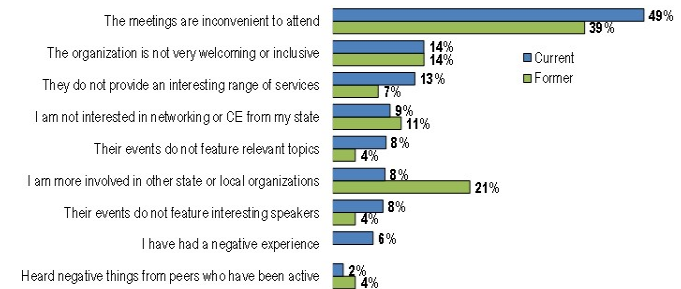


Importance vs. Satisfaction - Services



2021 Member Survey

Reasons for Being Relatively Inactive in Primary State Affiliate



Component Structure Task Force

We strive to create an NAEA structure such that all members receive more services, more efficiently, and with more engagement than the current structure can deliver. NAEA's Board of Directors created the Component Structure Task Force in 2022 to:

- Identify structural or governance issues contributing to membership losses.
- Identify potential barriers to entry and membership retention risks.
- Explore and recommend potential governance models to encourage membership growth and improve member service and engagement
- Find ways to serve members in unaffiliated states or foreign countries.

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Enhancing NAEA's Member Service Through a Modified Engagement and Governance Model

Component Structure Task Force Recommendations:

- Eliminate the 30-hour CE requirement for membership
- Remove the dual membership requirement
- Create a chapter structure and special interest groups

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Eliminate the 30-hour CE requirement

This is a barrier to entry for new or aspiring enrolled agents. There is no market awareness of the additional CE.

All Enrolled Agent members will still be required to get their IRS-required continued education to maintain their enrolled agent license.

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Eliminate the Dual Membership Requirement

People want choices and options that best meet their needs.

They don't want to pay for something that is not providing value or is not of interest to them.

This allows members to choose to belong to NAEA, a state affiliate, or both, based on what is important to them.

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What is a chapter?

A chapter would be a component of NAEA and would operate under NAEA corporate governance.

NAEA would provide all operational, administrative, and support services so state/local efforts could be focused on member engagement and member services.

Committees, programming, and engagement would be led by chapter volunteers and supported by NAEA.

The chapter would not need to maintain IRS CE approval, a web site, a database, marketing/communications software, or be required to file tax returns.

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How does this affect the state affiliates?

A state affiliate that chooses to maintain its corporate status will continue to operate as a separate organization.

The affiliate would be responsible for all administrative and operational functions.

NAEA and the state affiliates will work together to support advocacy on state-level issues, EA awareness, and other strategic initiatives.

NAEA and the state affiliates could collaborate on membership initiatives and local event promotion.

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What is a special interest group?

Groups that are formed around a specific topic or an NAEA or professional initiative

This could be virtual or geographic-based, depending on the topic and members involved

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Financial FAQs

How will this impact member dues?

If a member resides in a state with an affiliate, they will have separate dues for state and NAEA membership. They will join and renew with each entity separately.

If a member resides in a state with a chapter, then they would pay dues to NAEA. There will not be separate chapter dues.

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Financial FAQs

If a state affiliate becomes a chapter and donates the saved funds to NAEA, will those funds be earmarked for use by that state only?

Yes, funds will be put into a restricted account that will be allocated to each chapter's activities.

How will a chapter pay for events and other engagement activities?

NAEA will be responsible for all contracts and payments on behalf of the chapter. Expenses for chapter events would be paid from the chapter's funds.

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Financial FAQs

How will the chapter be funded?

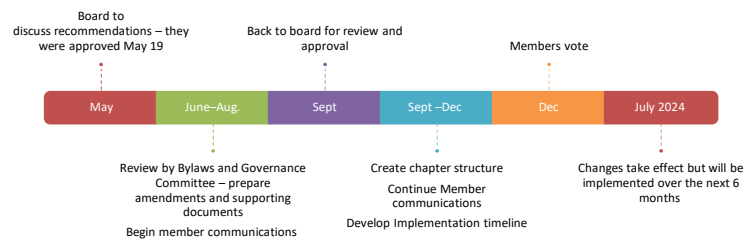
Once the restricted funds have been used, a portion of membership dues will be shared with the chapter as part of NAEA's annual budget. This will be based on a formula that has yet to be determined. (Many other organizations allocate those funds based on the number of members that reside in the chapter. That is a possible allocation model.)

If a state affiliate becomes a chapter, then what happens to the funds in the affiliate's account?

It will be up to the board or members of each affiliate to decide what to do with the funds, depending upon what is required in their bylaws.

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Bylaws Amendments - Timeline



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What's next, if approved?

NAEA will work with every state affiliate to set up new or revised structure

- Some state affiliates will remain independent entities – membership will be separate from NAEA
- Some states will become chapters – one membership and one dues amount

A collaborative relationship with all state organizations remains the goal!

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Upcoming Meetings

Annual Meeting
July 31 at 7:00 p.m. Eastern
Live at Tax Summit or Virtual

Virtual Town Halls
Sept 14 at 4 p.m. Eastern
Nov. 30 at 12 p.m. Eastern
Dec. 11 at 4 p.m. Eastern

Board Meeting
Sept. 22 at 12 p.m. Eastern

Questions?

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