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**From:** Richard Merkin [REDACTED]  
**Sent:** Monday, June 30, 2014 11:55 PM  
**To:** jeffrey E.  
**Subject:** RE:

Thanks, very helpful. Preliminarily the accountant suggested that if I switched from an accrual to a cash basis it would trigger a tax on our IBNR (money owed to doctors and hospitals).

From: jeffrey E. [mailto:jeevacation@gmail.com]  
Sent: Monday, June 30, 2014 4:47 PM  
To: Richard Merkin  
Subject:

<http://www.irs.gov/pub/irs-pdf/f3115.pdf>

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Once you have set up your accounting method and filed your first return, you must get IRS approval before you change the method. In general, you must file a current Form 3115 to request a change in either an overall accounting method or the accounting treatment of any item.

The following are changes in accounting method that require approval from the IRS:

- \*     Switching from a cash basis method to an accrual basis method;
- \*     Switching from an accrual basis method to a cash basis method;
- \*     Change in method or basis used to value your inventory; and
- \*     A change in depreciation or amortization method (exception: some changes in the straight-line method are permitted without permission from the IRS.)

When and Where To File Form 3115

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please note

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