

# Current Accounts

*The Georgia Society of CPAs*

## **SUPPLY CHAIN CHALLENGES: HOW GSCPA MEMBERS ARE MANAGING THROUGH THE DISRUPTION**

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**Quality Management: Where Are We Now?**

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**Leading Up: Five Ways to Build This Essential Superpower**



**The Georgia Society  
of CPAs**

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## The Importance of Workplace Friends

If the past two years have taught us anything, it's how important personal interaction is. From quarantine to social distancing, being restricted from those we care about presented various challenges. Workplace friendships may have even taken a harder hit than familial relationships. Before the pandemic, we spent almost as much time at work as at home, sometimes more. Spending so much time together, it is inevitable that friendships will form. And, I don't mean simply being friendly with co-workers; I'm talking about true friendships—the people with whom we want to socialize in and out of the office.

With the onset of the pandemic and everything going remote for as long as it has, those workplace friendships were greatly affected. Yes, we have Zoom and Teams, but it's not quite the same as being in the same room as those friends and colleagues. Studies have shown that friends at work increase happiness and productivity. Employees are twice as likely to be engaged if they have friends at work. These relationships allow for honest and constructive feedback, help you accomplish your goals, and, in general, brighten your day. These friendships are vital, even as doors open to new career opportunities and contacts.

I have made many colleagues who became close friends during my career, and we have kept in touch over the years. I recently had the opportunity to visit a few colleagues I had not seen in over two years. The friendship cliché of "we picked up right where we left off" is cliché simply because with real friendships, that is entirely true. It really was if time hadn't passed, save for catching up on a few life changes that can happen over a multiple-year span. Personalities, jokes, shared interests, among other things, were changed in only

modest ways. But life does carry on; some things changed a lot; new body parts (these things happen with age), childrens' weddings, grandkids, retirements and more.

I am fortunate to have made incredible friendships through GSCPA. I have the honor of working closely with members, especially those on our Board of Directors. Throughout the pandemic, we were very intentional about maintaining our connections in ways that grew those relationships. At first, it was a flurry of Zoom/Teams meetings and still is, but as our understanding of what was happening (or not happening) grew, we found ways to connect in person safely. We held board meetings in our office and other places around Georgia, finding good excuses to explore new places and break bread together. Our current chair, Tom Harrison, taught me to hunt quail, albeit in a more gentlemen's way than a survivalist way. That time together led to a friendship that ultimately produced great work and a connection that will last a lifetime.

That story arc of GSCPA creating friendships that will last a lifetime is as old as the organization itself. I see it happen every day among incredibly diverse and unique groups of people. I have had the joy of experiencing that with every chair of our board, without exception. Life always gets in the way through time, distance or pandemics, but when we find ourselves together again, it is as if the space between us could not be any smaller.

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**2021**

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 Address *26742*  
 City, town *Missio* State *CA* ZIP code *92692*  
 2 Your social security number *354-79*

**Part II Individual Income Tax**  
 4 Estimate of total tax liability for 2021 \$  
 5 Total 2021 payments  
 6 **Balance due.** Subtract line 5 from line 4 (see instructions)  
 7 Amount you're paying (see instructions) ▶  
 8 Check here if you're "out of the country" and a U.S. citizen or resident (see instructions) ☐  
 9 Check here if you file Form 1040NR or 1040NR-EZ and didn't receive wages as an employee subject to U.S. income tax withholding. ☐

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## A Fond Farewell

The adage, "time flies when you're having fun," could not be any truer as when you're the chair of an organization you hold dear. As I pen my final message as GSCPA chair, I am humbled and grateful for the opportunity to serve you in this capacity. The year moved swiftly; the world and the profession went through many changes during that time.

As I reflect on this past year, flexibility was the key term and way of being when we began in 2021, which stayed true into 2022. Technology continues to change the CPA profession's pace, and remote offices established in 2020 still have lasting effects on how businesses operate.

I'm thrilled that the CPA Evolution initiative continues to move forward with a target launch date of early 2024. In Fall 2021, AICPA-NASBA conducted surveys of accounting students and faculty to gather their thoughts about the new model and how it will impact them. The survey results indicate that students are more interested in pursuing CPA under the new licensure model. Universities are changing their curricula to incorporate emerging topics, and many accounting program graduates will have different skill sets. I want to challenge you to tell your stories to students and other potential CPAs and help keep the pipeline full of enthusiastic and smart future colleagues. They want to hear about all of the possible paths to success our profession provides them.

Looking to the future, the AICPA is currently conducting a practice analysis to determine the knowledge and skills required of newly licensed CPAs that should be assessed in the newly created exam. An associated CPA Exam Blueprint is expected to be issued for public comment in mid-2022, and I encourage all of you to read through and provide feedback.

GSCPA provides a compelling value proposition to our members through advocacy and other mission-oriented programs. GSCPA continued to build our diversity and inclusion initiatives to make our profession more inclusive and diverse. We also slowly began to meet in person again, reconnecting with colleagues and friends we had not seen in a year or more.

Overall, it was a fantastic year, and I look back on our time together fondly. I am honored to have been a part of our outstanding programs, and I look forward to seeing what GSCPA has in store over the next year. I extend my deepest thanks to GSCPA's professional staff, who work hard with a genuine passion for the members and the profession. I offer my sincere gratitude to each member for your support and dedication to GSCPA and the profession.

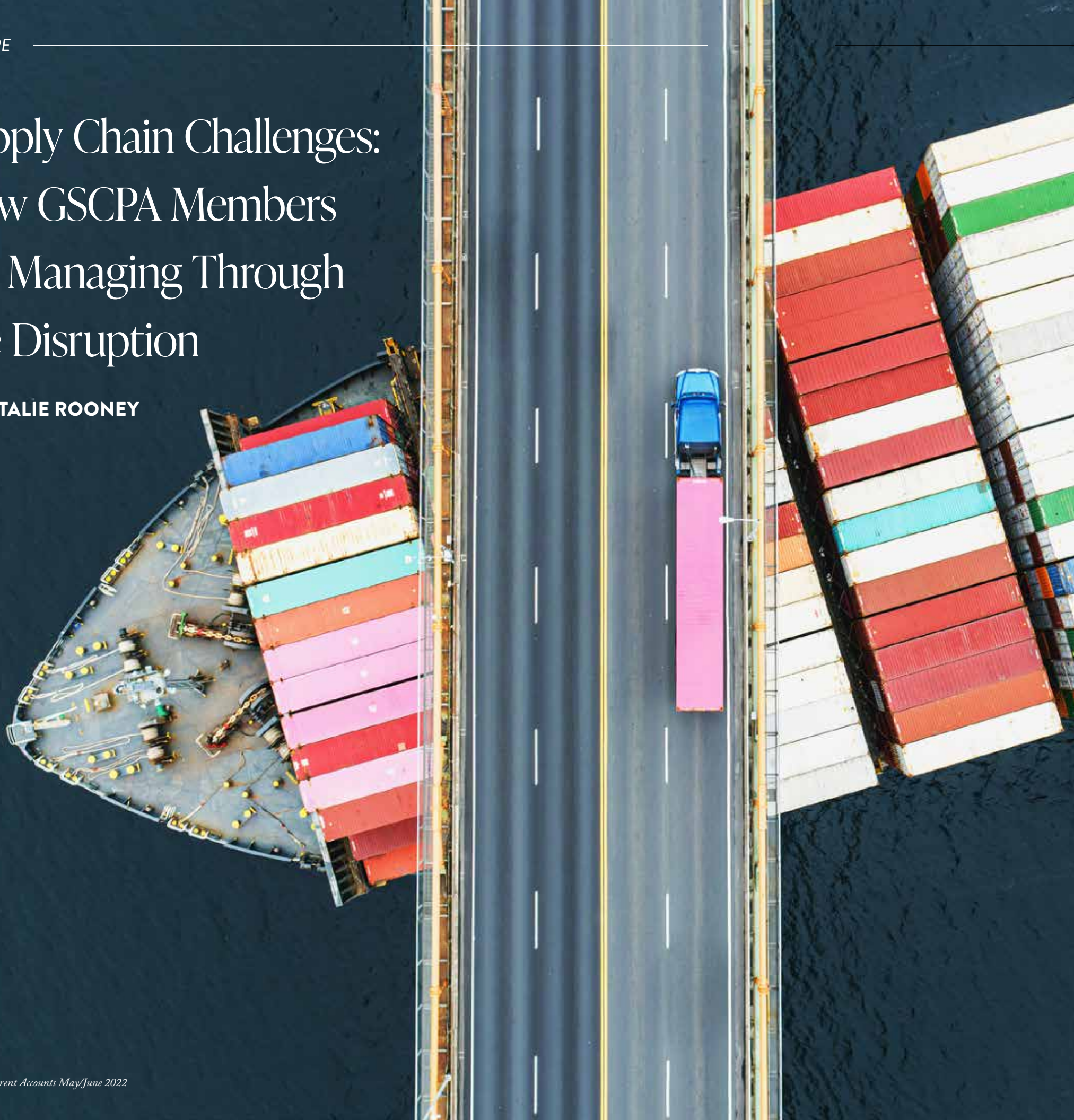
As we transition to new leadership, I encourage you to support the incoming Board, who will continue the forward momentum of current GSCPA initiatives and lead us into the future.

**TOM HARRISON, CPA**



# Supply Chain Challenges: How GSCPA Members are Managing Through the Disruption

by **NATALIE ROONEY**



*As we move into year three of the COVID-19 pandemic, the global supply chain continues to be in a state of disarray, creating massive shortages, disruptions and price inflation. Most recently, the war and resulting sanctions against Russia have put further strains on already stressed systems. GSCPA members share how they're working to address the ongoing challenges.*

Michelle Longo, director of purchasing and supply chain for Home Grown Industries of Georgia, dba Mellow Mushroom, says more than two years of supply chain challenges have impacted the company across the board. Headquartered in Atlanta, Mellow Mushroom is a franchise concept operating over 170 locations in 20 states. "Everything from food products to non-food items like paper, small wares (dining plates, flatware), equipment and uniforms have been impacted, making it difficult to get restaurant franchisees what they need," Longo says.

After the initial pandemic-driven shutdown in 2020, Longo says the reopening was so fast that it didn't allow for enough time to begin producing the materials needed to get up and running again, let alone fill the pipeline. Since then, Mellow Mushroom has experienced everything from difficulty obtaining raw materials to manufacturing delays and transportation problems. "Cargo may be late, or we can't get trucks or people to move it," she says. "And, of course, anything coming through the ports is experiencing huge delays."

## EASING THE BACKUP AT THE PORTS

Michaela Thompson, CFO of Georgia Ports Authority (GPA), knows all about port backups. She says challenges for the Port of Savannah began with the influx of imports related to a shift in consumer spending away from services and toward goods. "A major bottleneck in the supply chain has been at distribution centers, which were flooded with cargo," she explains. "The backlog meant the Port of Savannah had to find new ways to handle a higher-than-normal number of containers remaining on the port."

GPA and its customers have broken the logistics logjam by clearing off long-dwelling containers, growing terminal capacity and establishing temporary inland container yards. In less than six months, GPA designed and began to bring online a series of improvements that, when complete, will increase the Port of Savannah's annual capacity by 25 percent.

*Supply Chain continued on page 10*



By working with Norfolk Southern, CSX and others, Thompson says GPA has also activated six pop-up container yards near manufacturing and distribution centers. These sites have eased the movement of cargo across the terminal and expedited vessel service by opening space for offloaded containers. The yards are in Atlanta, Savannah, Statesboro and Murray County, Ga., as well as in Huntsville, Ala., and Rocky Mount, N.C. Their total annual capacity is 500,000 TEUs. (Note: GPA moves 20-, 40- and 45-foot containers. The 20-foot container is the unit of measure, notated as a 20-foot equivalent container unit, or TEU. A 40-foot container equals two TEUs.)

Another effort working in tandem with the pop-up yards is opening the final nine of 18 working tracks at GPA's Mason Mega Rail Terminal, increasing rail capacity by 30 percent to two million TEUs per year. Expanded rail infrastructure improves cargo flow and allows for business expansion.

The private logistics market has also been growing. Thompson says the Savannah market added 6.5 million square feet of industrial space in 2021, for a total of 84 million. Another 17 million square feet are under construction, lifting the market beyond 100 million square feet.

**CHANGING ON THE FLY**  
Consistency in products is a hallmark of restaurant chains' product offerings, and Mellow Mushroom is also being challenged on that front. Significant cost increases and the need for substitutions have meant a constant reanalysis of product availability and cost to ensure quality standards are met. "We might approve a substitution only to find we need a substitution for the substitution," Longo says. "If we're not careful, suddenly, things are no longer consistent. This ongoing situation has demonstrated our ability to pivot, and we've become more adaptable."

Longo says many of Mellow Mushroom's manufacturers have been reanalyzing their product offerings because of limited resources. They emphasize high-moving, high-profit items, which impacts the availability of certain menu items, including Mellow Mushroom's unique signature dark chocolate truffle sauce used on its desserts. Production of the sauce stopped entirely for

four months, and the vendor even considered discontinuing it. "We were able to convince them to continue production, but we had to discuss removing the brand name from our menu because we didn't know if we could get it," Longo says.

Other menu items experienced similar challenges requiring a constant flow of communication and fluidity in decision making. "Every day brings new challenges," Longo says. "We've had to pivot and become more flexible. We've built great partnerships with our suppliers over the years. Now, we're asking them to be proactive and give us a heads up if they see a developing issue."

**THE LABOR FACTOR**  
Along with the product supply challenges have been challenges to the labor supply. Longo says franchisees are paying higher wages and offering more perks to position themselves as an employer of choice. "It's a consistent issue regardless of the industry right now," she says. Because of the nature of a franchise business, Longo says the company can only provide benefits recommendations – not require them – to franchisees and has suggested things like health care, tuition reimbursement and promotion from within to encourage growth and retention.

Hiring issues extend to the company's distribution chain, as well. Longo describes challenges in finding truck drivers and selectors – the people who find the cases of products in warehouses and pull them to be loaded onto trucks. "Those are two of the biggest labor-intensive jobs within distribution, and we're having trouble finding enough people," Longo says, adding that some of the distribution companies have been increasing salaries and perks and even providing cash incentives. Other ideas she's hearing from distributors: paying workers weekly instead of bi-weekly, catered lunches, and 10 - 15 minute breaks to sit in a massage chair. "We also want to offer a quality of life and the flexibility to accommodate family schedules when we can."

Thompson says that while GPA had to staff up to handle the influx of cargo, they have had success in finding people. "Savannah has also seen a local turn-around in the

trucker shortage experienced on the national level," she says. "We have been registering 80 new drivers a week to serve the Garden City Terminal, which is a total of 1,200 new drivers and 370 additional trucking companies over the past four months." GPA has also broadened its workforce development effort through its YES+ program. "In addition to recruiting new high school graduates to work in maintenance and container operations, we've expanded the program to include opportunities for young workers in other administrative departments."

**FORECASTING WHILE FIREFIGHTING**  
Longo describes the last two years as continuous firefighting. "We're constantly thinking about and dealing with immediate crises like just getting products to restaurants," she says. "That means we're less able to focus on strategy and moving the brand. A majority of the manufacturers are at capacity, making it challenging to secure secondary suppliers to help with supply. We're focusing on working with our existing partnerships."

Longo says manufacturers are working on adding domestic facilities, especially now that importing costs are so high. "But it takes time. And if you're already having a hard time finding the workforce for what you're doing today, how do you find the workforce for what you want to do and then afford to do it? It's a pass-through to the end customer."

Longo reports directly to the company's COO and is front and center, not just for food issues but also across all platforms. The company has multiple ideation teams to help problem solve. "We've been encouraging fewer custom items and turning our focus to available stock and cross-utilization. We might bring in a new item but use it for three different products rather than one. Ultimately, we don't want to set ourselves up for failure when we might not have the resources to fill a product," she says. Suppliers have been vocal about not quoting or filling custom orders.

The Mellow Mushroom leadership team is also trying to respect the labor constraints franchisees face by minimizing new menu items and emphasizing current core items.

"We want something that's very executable for franchisees and operators even if they have new employees," Longo says. That might include removing items from menus, which happened recently due to supply chain uncertainty.

"We look at our numbers every day, and we often have to shuffle things around," Longo says. "Sometimes we know in advance – maybe a supplier had a COVID outbreak, and they're running two weeks behind. Other times, we might have to make product substitutions because the cost to get an item from A to B is too great, and it might not even make it in time because we can't get a truck."

In the past, these supply issues might have been temporarily resolved by using safety stock which is then quickly resupplied. Unfortunately, that strategy doesn't work today. "We came back from COVID so quickly that our usage demand was higher than in 2019," Longo explains. "We were already having challenges meeting current demand on our standard products, which prevented our supplier and distributors from having the ability to rebuild their safety stock we once had in place that allowed us to be more proactive to handle shipment delays vs. reactive. That's when the shuffle and substitution begin, but we're a concept that promotes quality. If the quality isn't there, we won't approve it."

**PORT EXPANSION SOLUTIONS**  
GPA is expanding container capacity at the Port of Savannah by 60 percent in stages over the next three years. Projects now underway will add 1.7 million TEUs of annual capacity by June. Separately, the Garden City Terminal West project will add capacity for up to one million TEUs in phases by 2024. All told, planned projects will bring Garden City Terminal's annual capacity from six million to 9.5 million TEUs by 2025.

Thompson says heightened trade is expected to continue well into 2022. To ensure Savannah's ability to handle the volumes, GPA is expanding its Berth 1, increasing the port's total berth capacity by 25 percent or 1.5 million TEUs. In 2023, the expanded berth will allow Savannah to simultaneously serve four 16,000-TEU vessels (the largest



ships calling the U.S. East Coast) and three additional ships.

Thompson says the GPA's infrastructure investment philosophy has been to maintain capacity at least 20 percent above current demand. However, cargo demand grew by 20 percent last year, accounting for much of the capacity buffer. "In response, we expedited our development plan." While most enhancements are paid directly out of port revenues, the GPA has issued \$500 million in revenue bonds to bring forward several projects. The bonds will fund capital improvements to expand GPA's capacity to serve the largest vessels calling on the U.S. East Coast and better handle the growth GPA expects in its long-term forecast.

**THE REALITY – FOR NOW**  
When Longo first joined Mellow Mushroom, she transitioned the company to a system that allowed full visibility into all product items and distribution centers. In normal times, the ultimate goals are to use that information to drive savings and profitability for franchisees, but Longo says right now, we're utilizing the inventory management tool to allow us to allocate inventory as needed in addition to looking for potential savings."

To address the vendor issues, Longo is now working with a purchasing co-op. "By partnering with them, we can join some of their contracts and leverage their purchasing power. We might have been better off with our own direct deals before, but it's not that way now. The co-op offers us another avenue to harness our purchasing power."

Longo says guests are, for the most part, understanding. "They're getting the picture of what the economy is going through, and they're accepting it. People are still visiting and supporting local businesses now more than ever. They understand the environment and the constraints. We're all adapting."

**NATALIE ROONEY** is a freelance writer from Colorado but has written for CPA societies for 15 years. She can be reached at [nrooney@centurytel.net](mailto:nrooney@centurytel.net).





# What You Missed During Busy Season

by ART AUERBACH, CPA, CGMA

Hopefully, you were all kept busy during the filing season. Unfortunately, this does not stop the various federal and state tax agencies from continuing to issue rules and regulations, expand on frequently asked questions, and change forms and/or instructions. This article will attempt to address some of those issues, but not all will be addressed, given the space constraints. I do online sessions called Tax Bites for GSCPA eight months of the year and expand on some of the issues in this article. Upcoming Tax Bites sessions are May 20 and June 22. In addition, check the GSCPA website for the discussion sessions called Art and Anson Talk Taxes as we expand on some of the issues in this article.

Some of you may have thought about signing up for an online account at IRS (Tax Pro Account). Certainly, it beats spending your life on hold. They have suspended the id.me requirement but have not yet announced the replacement as of this writing. Put this on your agenda to set up one of these accounts. The caution that I give you is this, be absolutely sure that whoever in your firm signs up for this account is placed on any POA (Form 2848) that your firm prepares. Doing this can enhance representing your clients with the IRS. As an aside, sign up for a similar account at the Georgia Department of Revenue; this will enhance obtaining transcripts (and as I like to remind folks, there are five different kinds of transcripts) and will also make it easier to set up payment plans for those who cannot pay timely.

The Taxpayer Advocacy Service is overloaded and issued a listing of situations that they will no longer accept for consideration (available on their website). Please read that

item so that you do not waste your time trying to get answers from the TPAS.

CNA, the professional liability carrier (www.cna.com), has recorded a webinar - Entering the Tax Return Home Stretch: Tips to Manage Challenging Clients. I recommend watching this archived video (30 minutes) that deals with many issues that may arise from this very different busy season. None the least of which is having a written plan if your system is compromised. I remind you that when you renewed your PTIN, you answered questions regarding having such a plan in place.

PEEC (Professional Ethics Executive Committee) has issued a wide range of guidance on ethics for CPAs. These deal with topics such as unpaid fees, implementation of accounting standards, loans (particularly between related parties) and regarding, student loans, NOCLAR and independence.

This next item is a most important practice issue. The IRS has issued two notices about the suspension of mailing additional letters and notices. February 9, 2022, IR 2022-31 and March 25, 2022, under Employee Plans News. The concern that many practitioners should have deals in the ethics area. The notices suggest that you wait for the backlog to clear and not add to it by answering notices or tax bills. Here is your concern, how have you protected your taxpayer's rights if you do not respond to an IRS item with a time response attached? Thus, is there a potential ethics issue for a possible claim by your client if time frames are not met?

The next group of items deals with FAQs (frequently asked questions). While these

do not represent substantial authority for a position on a tax return, with proper contemporaneous documentation, they can avoid penalties: IF YOU HAVE THE PROPER DOCUMENTATION. The IRS has published guidance on what they will accept as documentation to sustain relief. This is an important topic since many practitioners rely on the FAQs for guidance on disclosure and presentation to avoid problems getting returns processed. As we know, IRS has had significant delay problems in processing returns. Even if the return is e-filed, the system may kick the return out for human review, thus delaying processing and perhaps issuing refunds.

I list at this point some of the FAQs that have had at least one if not more revisions during the heart of the busy season. Remember, as I discussed on Tax Bites, this includes changing some of the previous answers from earlier versions of the FAQs. So, here you go, in no particular order are the questions that have changed during the busy season:

- March 2, 2022, IR 2022-46 – Earned Income Tax Credit
- February 2022, FS 2022-07 – Child Tax Credit and Advanced Child Tax Credit; then amended 3-8-22
- February 17, 2022, IR 2022-40 – Recovery Rebate Credit
- February 2022, FS 2022-11 – Higher Education Emergency Grants
- February 2022, FS 2022-13 – Premium Tax Credit
- March 3, 2022- IR 2022-47 – Paid Leave under ARPA
- March 2022- FS 2022-21 – Unemployment Compensation
- March 2022- FS 2022-22 – Third Round Economic Impact

Supposing your client cannot get a required information return from an employer or someone they provided services to or for, the IRS has Form 4852 as a substitute for a W-2 or a Form 1099-R. I would recommend that you always advise clients to retain their last pay stub of the year as a fallback position.

In IR 2022-49, IRS addressed the challenges of filing Form 7203 for S Corporations regarding stock and debt basis limitations. This was the first filing season for requiring this form.

Practitioners dealing with non-profit organizations, the following forms may affect you. On February 28, 2022, the IRS issued a reminder regarding Form 5316, Application for Group or Pooled Trust Ruling; beginning June 1, 2022, you MUST use the form with the December 2021 revision date. As a member of the AICPA Tax Practice and Procedure Committee, I sit on the exempt org committee, and I am letting you know there are significant problems in e-filing Forms 990 and 990T, which are now required by law. Also, significant delays in getting refunds paid on the repeal of the parking tax. Just be prepared for extended time frames.

Then there is the long and lengthy discussion regarding Forms K-2 and K-3 related to Forms 1065 and 1120S. The IRS has allowed for one more year the alternative reporting since their programming for these forms will not be available on a timely basis for on-time filing. Form 1065 programming was supposed to be ready on March 30 (15 days late) and the Form 1120S by June 30 (really late). Unless you took an extension of time to file, see the AICPA's many comment letters in this area at www.aicpa.org.

In doing some advanced planning with the 2021 preparation, here are a few reminders regarding the new Form 1099-K reporting requirements beginning in 2022, the first filing in January of 2023. The reduced required filing amount is from \$20,000 and 250 transactions to a flat \$600. How many of your clients may have to issue the form next January, or if the taxpayer is involved in the GIG economy, how many will be receiving these for the first time? How are you dealing with estimated taxes of nexus

of the income and potential sales tax collection issue?

Cryptocurrency is always a hot topic. March 18, 2022, IR 2022-61, the IRS reminded all individual filers that the question on the various individual returns REQUIRES an answer of either yes or no. The recommendation is to ask your clients if they have or are involved in cryptocurrency and educate them and perhaps yourselves regarding the record-keeping requirements that are unique to this area of taxation. This includes IR 2022-33 regarding Form 14457, Voluntary Disclosure and Practice Preclearance Request and Application, which added questions regarding cryptocurrency (February 15, 2022). Please read this form and instructions to determine involvement since there are potential criminal penalties. Be particularly concerned about the potential relationship between the crypto answer and the filing of the FBAR form (FinCen114).

On March 16, 2022, the SBA issued a news release (<https://www.sba.gov/node/1708989>), which extends the deferment period for EIDL payments.

The IRS issued Rev. Proc. 2022-17 regarding the updated rules concerning depreciation of automobiles placed in service in 2022. This contains the indexed depreciation numbers.

Have you dealt with a taxpayer who has recently retired or is planning to retire? There have been numerous pronouncements regarding the new age for required minimum distributions (72), the requirement to amend retirement plans because of the new life expectancy tables. This affects minimum required distributions and perhaps estimated tax payments for the 2022 year.

There is also a concern regarding those claiming a home office deduction and members of the GIG economy. IRS has issued a significant number of IRs in this area, and it appears this is high on the potential examination route about a year or so down the road. Documentation is the KEY!



## more from art auerbach

**2022 SOUTHEASTERN ACCOUNTING SHOW**  
Art will be moderating a Department of Revenue panel, as well as leading a Tax Talk session with Anson Asbury, J.D. on August 24-25, 2022, at Cobb Galleria Centre in Atlanta.

**REGISTER FOR SEAS**  
To register and for more information, visit [www.gscpa.org](http://www.gscpa.org), Event Code 13085.

Then there are the Georgia items that may affect you or your clients. I would be remiss if, as of this point, I did not wish a great retirement to John Foster, who has left GDOR after 27 years. We wish him all the best.

- Following are some of the Georgia items to note:
- March 24 – LGSD 2022-003 regarding Land Conservation and Forest Land rules
  - February 28 – Bulletin on changes in the Transportation Rate
  - January 19 – Historic Rehab Credit
  - December 10, 2011, regarding the SALT/PTE regulations going final. Remember that this is the first year (2022) of this legislative change.

Also, please remember that the Georgia legislature is still in session as I write this. So, watch the session news and future articles by Don Cook.

There are many more items, but I tried to select those that affect the majority of practitioners. Have a great spring and summer.

**ART AUERBACH, CPA, CGMA**, is a special consultant to Asbury Law Firm, Tax Counsel, specializing in tax consulting for individuals, practitioners and closely held businesses.

# Quality Management: Where Are We Now?

by **KATHRYN M. FLETCHER, CPA, CGMA**

In February 2021, the Auditing Standards Board (ASB) issued the exposure draft (ED) *Proposed Quality Management Standards* for public comment.<sup>1</sup> The ED included three interrelated standards (collectively, the QM standards), based substantially on the International Auditing and Assurance Standards Board's (IAASB) quality management standard, introducing a new risk-based approach to quality management systems within firms. The proposed QM standards are widely applicable as they impact all firms with accounting and auditing practices. The three proposed standards are:

- Proposed Statement on Quality Management Standards (SQMS) *A Firm's System of Quality Management* (SQMS No. 1)
- Proposed SQMS *Engagement Quality Reviews* (SQMS No. 2)
- Proposed Statement on Auditing Standards (SAS) *Quality Management for an Engagement Conducted in Accordance with Generally Accepted Auditing Standards* (QM SAS)

## WHERE ARE WE NOW?

The ASB received an overwhelming response of 171 comment letters on the ED of the proposed QM standards. Over half of the respondents indicated they were sole practitioners or small firms. The comments addressed all aspects of the standards, but there was a specific focus related to the proposed prohibition on self-inspection and the proposed two-year "cooling off" period for engagement quality reviewers. The ASB discussed the comment letters and issues raised during its October 2021, December 2021, and January 2022 meetings taking into consideration the objective of enhancing audit quality for the benefit of the public interest, feedback on associated benefits and costs, and related safeguards in place.

Extant QC standard (QC section 10) does not prohibit self-inspection. However, the proposed standard addresses the objectivity of the individuals performing monitoring activities and prohibits engagement team members or the engagement quality reviewer of an engagement from performing any inspection of that engagement. The scalability of this prohibition on smaller firms or firms with specialized industries may be more challenging and significantly impact a firm's current monitoring activity policies and procedures. As such, respondents were concerned that this new prohibition would create undue costs and may require firms to hire a peer reviewer every year. Generally, I believe we all agree that avoiding self-inspection leads to the highest levels of objectivity and is

best practice, but taking into consideration feedback, the ASB is expected to permit self-inspection by allowing firms to use risk-based safeguards approach to design their monitoring systems with an understanding that it's preferable not to self-inspect. As part of the risk assessment process, firms would be required to respond to the quality risk by determining safeguards that would lower the self-review threat to an acceptable level. This approach aligns with the overall intent of the standards to be risk-based and scalable.

Engagement quality reviews (*extant engagement quality control review*) support the exercise of professional skepticism at the engagement level by providing an objective evaluation of significant judgments made by the engagement team. To address threats of objectivity, proposed SQMS No. 2 includes limitations on the engagement quality reviewer by establishing a two-year "cooling off" period for individuals who previously served as the engagement partner. Respondents noted the inconsistency of requiring engagement quality reviewers to rotate when AICPA professional standards do not require partner rotation. In response to this and other feedback, the ASB is expected to remove the required "cooling off" period for engagement quality reviewers of audits of non-issuers in the United States. However, a "cooling off" period may be an appropriate safeguard against the self-review threat to objectivity.

Other items of interest noted during the ASB's deliberations include an expectation of:

- Retaining the extant requirement that an engagement quality review has to be completed before the report is released and not before the report is dated. Under extant QC section 10, the engagement quality review must be completed before the report is released, noting that when the review results in additional procedures having to be performed, the date of the report would be changed. The ASB has noted that in practice, it is common for the report date and the report release date to coincide and that the flexibility of using the report release date provides greater benefit than the logistical cost and potential unintended negative consequences of a prescriptive requirement.
- Delaying the effective date by changing the year from 2023 to 2025. This delay would allow firms to have undergone one peer review between the issuance of the standard and the effective date. One important item to note is that the design and implementation of a firm's quality management system is an "as of" effective date. This means firms should begin implementation earlier in order to have their quality management system ready to go by the effective date. For



firms with limited resources, utilizing a phased approach by addressing one component at a time or beginning the operation of policies and procedures at various stages will allow the standard to be more manageable. The quality management system would not be considered in operation until the firm has formally implemented and commenced operation of the new QM standards in their entirety; therefore, implementing a portion would not be considered as early adoption.

- No additional substantive revisions to QM SAS.

## NEXT STEPS

The ASB aims to vote on the final standard at its May 2022 meeting with the expectation of final issuance in June 2022. The proposed QM standards are extensive, comprising close to 200 pages of guidance. It is strongly recommended that firms with accounting and auditing practices, especially those with limited resources, start preparing by becoming familiar with the proposed standards and developing a timeline and implementation plan. The ASB recognizes that most firms will need implementation guidance materials for effective implementation and has created a QM Implementation Task Force to assist with preparing educational materials and webcasts, practice aids and additional resources for practitioners.

CPAs have demonstrated an ongoing commitment to quality and a long history of continuous improvement as a profession. Our commitment to enhancing the quality and achieving the highest level of engagement performance is the foundational

concept in quality standards. The ASB's continuous evaluation and focus to increase compliance with quality standards will result in consistent performance of quality engagements resulting in service to the public interest by building trust in the services CPAs provide.

## EFFECTIVE DATES – EXPECTATION TO DELAY BY CHANGING THE YEAR FROM 2023 TO 2025

- Proposed SQMS No. 1 – A firm's quality management system would be required to be designed and implemented by December 15, 2023, and the evaluation of the system of quality management would be required to be performed within one year following December 15, 2023.
- Proposed SQMS No. 2 – Would be effective for
  - a. audits or reviews of financial statements for periods beginning on or after December 15, 2023, and
  - b. other engagements in the firm's accounting and auditing practice beginning on or after December 15, 2023.
- Proposed QM SAS – Would be effective engagements conducted in accordance with generally accepted auditing standards for periods beginning on or after December 15, 2023.

**KATHRYN M. FLETCHER, CPA, CGMA**, is a partner with *Draffin & Tucker, LLP*, in Atlanta, Ga. She currently serves on the AICPA Technical Issues Committee and ASB Quality Management Task Force. She can be contacted at [kfletcher@draffin-tucker.com](mailto:kfletcher@draffin-tucker.com).

<sup>1</sup><https://us.aicpa.org/content/dam/aicpa/research/exposedrafts/accountingandauditing/downloadabledocuments/20210204a/20210204a-quality-mgmt-ed.pdf>





# Leading Up: Five Ways to Build This Essential Superpower

by JON LOKHORST, CPA, ACC

*“Seriously, I need to lead my boss?”*

It wasn't the first time a client asked that question. Although most leadership advice focuses on leading downstream, most leaders lead from somewhere in the middle. Few people get to be at the top of their organization. Even then, most CEOs report to a board of directors or ownership group. Leading up is the most counterintuitive form of leadership. Roles are reversed as the follower takes the lead over their superior. It's a difficult skill to master, but one that's essential to build an effective relationship with your boss and advance within your organization. Here are five ways to develop your upward leadership skills.

## 1 BUILD UNWAVERING TRUST

Trust is paramount to productive working relationships. Your boss needs to trust you to keep your word and follow through on your commitments. Leave no doubt that they can count on you. That positions you for greater influence and opens a seat at the table for you to join higher-level discussions.

Always support and never undermine your superiors. It's easy to get caught up in negativity at the water cooler. Let's face it: All leaders have their flaws. But criticizing the boss around your co-workers eventually leaks out and erodes trust. It could even cost you a promotion down the road. If you can't steer the conversation to a more positive tone, move on to something else.

## 2 MASTER YOUR CRAFT

Do your job well. You can't become a “go-to person” for your boss if they can't count on you to take care of your responsibilities. Master your craft by developing the core competencies essential to your job. Pursue training, coaching and mentoring to fill gaps between your current skill level and what you need to excel.

Complete your assignments on time and within budget. Be proactive in communicating when things start going off course. It's hard to secure the promotion you desire when you fail to meet deadlines, exceed budget or fail to communicate.

Make the decisions that are yours to make. Don't defer decisions to your boss unless truly necessary. If you get into that habit, your boss eventually feels like they are doing your work. It's almost impossible to advance if you can't make the decisions required at your level of responsibility. Seek clarity if you're unsure about decision-making authority; consider it practice in leading up.

Build your team. You have more responsibility to develop others as you advance professionally. Help your direct reports excel in their roles and prepare them for the next level. Strengthening your bench makes you more promotable, as your boss sees that others are ready to step up as you move up in the organization.

## 3 ADAPT YOUR COMMUNICATION STYLE AND PREFERENCES

As a subordinate, it's up to you to learn your boss's communication style and adapt to their preferences. Do they prefer email to an in-person conversation? Or do they prefer an exchange of text messages to a phone call? One of my former bosses leveraged the voicemail system to leave messages for his team throughout the day.

Another question is how they prefer to receive information. How detail-oriented is your boss? Some bosses would rather have a high-level summary that cuts quickly to the bottom line. Others want the details to draw their own conclusions. One hospital CFO has his team provide a bullet point summary of each report, along with the full document, so he can dive into the details for more information if necessary.

Finally, how does your boss prefer to receive bad news? Some bosses want the story behind it as a way of warming up to the bad news. Others prefer to hear it straight up, without any sugarcoating or a lengthy explanation. If you're not sure about your boss, ask now. That will alleviate stress the next time you have to deliver bad news.

## 4 ADVANCE YOUR BOSS'S AGENDA

Seek clarity on your boss's top priorities and strive to execute on them. Those priorities likely relate to important initiatives that flow from higher levels within the organization. By helping move them forward, you gain credibility and visibility with your boss, peers, and superiors. That, in turn, positions you for future advancement opportunities within the firm.

Find ways to take things off your boss' plate. When you lighten their load, it enables them to focus on other challenges. It also shows that you're capable of performing at a higher level of responsibility. Consider the ripple effect as you encourage the same with your direct reports. Leaders at each level can then devote more attention to strategic priorities that move the organization forward.

Partner with your boss in leading change. Research indicates that leaders' greatest stress comes from navigating change. Help your team understand the purpose of significant changes and the importance of supporting them. Use your influence to execute those initiatives.

## 5 BE RESPECTIVELY CANDID

With all that said, it sounds like leading up means being a “yes man” or “yes woman.” Not at all. There are times when leading up requires you to challenge your superiors. When that happens, be respectfully candid. Present your questions or concerns in a way that shows you respect your boss's position and authority.

The best leaders establish protocols for these situations. In one organization I served, we started hard conversations with the phrase, “Can I ask a clarifying question?” Another common introduction is, “Do I have permission to speak freely?” It's a respectful way to prepare your boss for a tough question or challenging discussion.

Be proactive and transparent. Don't hide important information or bad news. The chances are that will come back to haunt

*more from  
jon lokhorst*

### 2022 SOUTHEASTERN ACCOUNTING SHOW

Join Jon Lockhorst at the 2022 Southeastern Accounting Show, August 24-25, at the Cobb Galleria Centre in Atlanta. He will be discussing additional trending leadership topics.

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you later. Instead, gather the facts and present your findings. Whenever possible, bring recommendations or possible solutions to the table. Offer feedback to help your boss improve (humbly and diplomatically, of course). Helping your boss discover their blind spots is a gift. Everyone wins when the leader gets better. Here's where building a high trust relationship pays big dividends.

Consider leading up a fiduciary duty. Are you ready to practice? In *Leading Up: How to Lead Your Boss So You Both Win*, author Michael Useem writes, “Leading up requires great courage and determination. We might fear how our superior will respond, we might doubt our right to lead up, but we carry a responsibility to do what we can when it will make a difference.”

**JON LOKHORST, CPA, ACC**, is a leadership coach and consultant, partnering with CPAs, CFOs, and other leaders who face massive change in their industry and recognize the need for a new leadership model to navigate those challenges. You may reach him at [jon@lokhorstconsulting.com](mailto:jon@lokhorstconsulting.com)



# Answers to 20 Common Questions on the NIST Cybersecurity Framework

by TOM KIRKHAM

*All organizations thinking about adopting the NIST cybersecurity framework are really considering improvements in their ability to manage cyber risk. You're setting the stage for some impressive enhancements in your organization's ability to manage cyber risk. Even if the organization is not a federal agency required to implement the framework, there is much to be gained by adopting it.*

## HERE ARE 20 COMMONLY ASKED QUESTIONS TO HELP UNDERSTAND THE NIST FRAMEWORK:

**Why is the National Institute of Standards and Technology (NIST) involved, and what is NIST's role in setting cybersecurity standards?**  
NIST is a federal agency within the United States Department of Commerce. NIST's mission is to develop and promote measurement, standards, and technology to enhance productivity, facilitate trade and improve the quality of life. NIST is also responsible for establishing computer- and information technology-related standards and guidelines for federal agencies. Many private sector organizations have voluntarily used these standards and guidelines, especially those related to information security.

**What is the framework, and what is it designed to accomplish?**  
The framework is voluntary guidance based on existing standards, guidelines, and practices for organizations to better manage and reduce cybersecurity risk. In addition to helping organizations manage and reduce risks, it was designed to foster internal and external organizational stakeholders' risk and cybersecurity management communications.

**Is a private sector organization required to use the framework?**  
No. The use of the framework is voluntary.

**Does it provide a recommended checklist of what organizations should do?**  
The framework is guidance. It is not a one-size-fits-all approach. Individual organizations should customize it to best suit their risks, situations, and needs. Organizations will continue to have unique risks – different threats, different vulnerabilities, different risk tolerances – and how they implement the practices in the Framework outcomes will vary.

**Why should an organization use the framework?**  
The framework can help an organization better understand, manage and reduce its cybersecurity risks. Then it can assist in determining which activities are most important to protect critical operations, helping clarify investment priorities and maximize

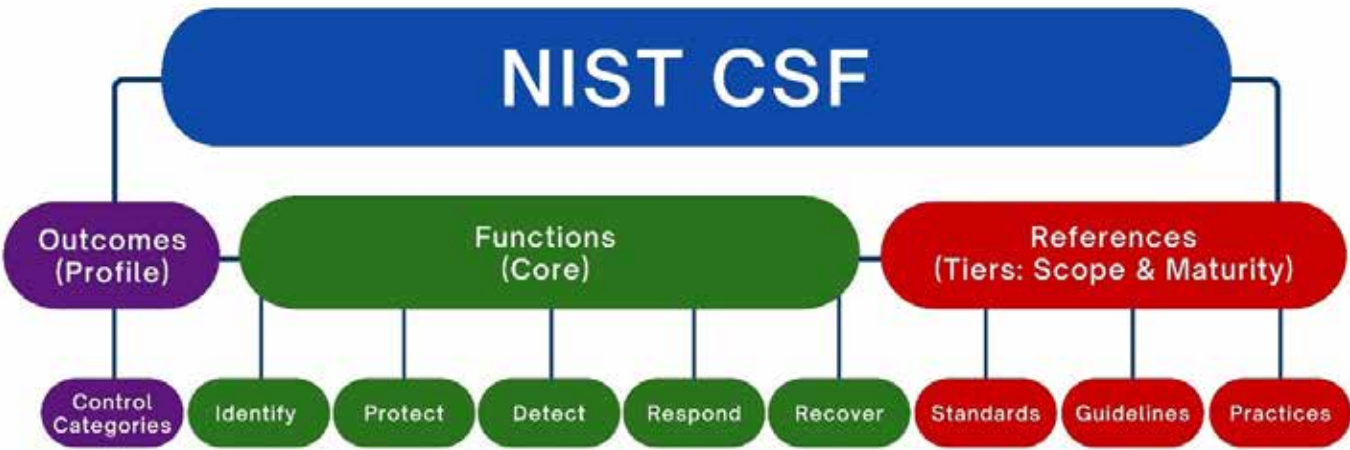
the impact of each dollar spent on cybersecurity. Providing a common language to address cybersecurity risk management is especially helpful in communicating inside and outside the organization. That includes improving communications, awareness, and understanding between IT, planning, operating units, and senior executives of organizations. Organizations also can readily use the framework to communicate the current or desired cybersecurity landscape with clients and suppliers.

**Does the framework apply only to critical infrastructure companies?**  
No. Although it was designed specifically for companies that are part of the U.S. critical infrastructure, many other organizations in the private and public sectors (including federal agencies) use the framework. NIST encourages all organizations to consider the framework a helpful tool in managing cybersecurity risks.

**Does the framework benefit organizations that believe their cybersecurity practices are already mature?**  
The framework can be used by organizations that already have extensive cybersecurity programs. The state of cybersecurity must be constantly revisited to ensure full protection and continually remain vigilant on best-of-breed practices and technology.

**What is the framework core, and how is it used?**  
The framework core is a set of cybersecurity activities, desired outcomes, and applicable common references across critical infrastructure sectors. The core presents industry standards, guidelines, and practices to communicate cybersecurity activities and outcomes across the organization from the executive level to the implementation/operations level. The framework core consists of five concurrent and continuous functions—identify, protect, detect, respond, recover. These functions provide a high-level, strategic view of an organization's cybersecurity risk management. The framework core then identifies underlying key categories and subcategories for each function and matches them with example informative references, such as existing standards, guidelines, and practices.

**What are framework profiles, and how are they used?**  
A framework profile defines cybersecurity outcomes based on the business needs an organization has selected from the



framework categories and subcategories. The profile aligns standards, guidelines and practices to the framework core in implementation scenarios. Profiles can be used to identify opportunities for improving cybersecurity by comparing a "current" profile (the "as is" state) with a "target" profile (the "to be" state). To develop a profile, an organization can consider and add to the categories and subcategories and determine which are most important based on business drivers and a risk assessment. Profiles should be used to conduct self-assessments and communicate within or between organizations.

**What are framework implementation tiers, and how are they used?**  
Framework implementation tiers provide context on how an organization views cybersecurity risk and the processes to manage that risk. Tiers describe the degree to which an organization's cybersecurity risk management practices exhibit the characteristics defined in the framework (e.g., risk and threat awareness, repeatable and adaptive). They reflect a progression from informal, reactive responses to agile and risk-informed approaches. During the tier selection process, an organization should consider its current risk management practices, threat environment, legal and regulatory requirements, business/mission objectives, and organizational constraints.

**Does the framework address the cost and cost-effectiveness of cybersecurity risk management?**  
Yes. An organization can use the framework to determine the most important activities for critical asset protection and prioritize expenditures that maximize the investment.

**How does the framework relate to information sharing?**  
The framework guides how awareness of real and potential threats and vulnerabilities can enhance an organization's cybersecurity program and communicate progress and status to key stakeholders.

**Can the framework help manage risk for assets not under direct organization management?**  
Yes. The functions, categories and subcategories of the framework core are outcomes. They are applicable whether the organization is operating the assets internally or another party is operating assets as a service. The framework can be used for due diligence with the service provider for external services such as outsourcing. The framework can be used as evaluation criteria for selecting a provider for packaged services.

**Should the framework be applied to and by the entire organization or just to the IT department?**  
The framework provides guidance relevant for the entire organization. The full benefits of the framework will not be realized if only the IT department uses it. The framework balances comprehensive risk management with a language adaptable to all stakeholders. More specifically, the framework's function, category, and subcategory levels correspond well to organizational, mission/business, and IT and operational technology (OT)/industrial control system (ICS) systems-level professionals. This enables accurate and meaningful communication from the C-Suite to individual operating units and supply chain partners. It can be especially helpful in improving communications and understanding between IT specialists, OT/ICS operators, and senior managers of the organization.

NIST continued on page 20





**How can the framework help an organization with external stakeholder communication?**

The framework can communicate with external stakeholders such as suppliers, services providers and system integrators. More specifically, the framework core is a language to communicate, while framework profiles can specifically define security requirements.

**How long does it take to implement the framework?**

Each organization's cybersecurity resources, capabilities and needs are different. So the time to implement the framework will vary among organizations, ranging from as short as a few weeks to several years. The framework core's hierarchical design enables organizations to take steps between the current state and desired state that aligns with their resources, capabilities and needs. This allows organizations to develop a realistic action plan to achieve framework outcomes in a reasonable time frame and then build upon that success in subsequent activities.

**Does the framework require using any specific technologies or products?**

No. It has been designed to be flexible so that users can make choices among products and services available in the marketplace. It encourages technological innovation for strong cybersecurity protection without being tied to specific offerings or current technology.

**Does the framework apply to small businesses?**

Yes. The approach was developed for organizations that span the largest to the smallest organizations.

**Will NIST guide small businesses? Is there a starter kit or guide for organizations just getting started with cybersecurity?**

NIST has a long-standing and ongoing effort supporting small business cybersecurity by providing guidance through websites, publications, meetings and events, including:

- Small Business Cybersecurity Corner website ([www.nist.gov/itl/smallbusinesscyber](http://www.nist.gov/itl/smallbusinesscyber)) puts various government and other cybersecurity resources for small businesses on one site. This includes the Federal Trade Commission's information about how small businesses can use the Cybersecurity Framework.
- Small Business Information Security: The Fundamentals is a valuable publication for understanding important cybersecurity activities. It is recommended as a starter kit

for small businesses. The publication coordinates with the framework because it is organized according to framework functions. ([www.csrc.nist.gov/publications/detail/nistir/7621/rev-1/final](http://www.csrc.nist.gov/publications/detail/nistir/7621/rev-1/final))

- Small business activities:
  - o Small Business Administration ([www.sba.gov/business-guide/manage-your-business/stay-safe-cybersecurity-threats](http://www.sba.gov/business-guide/manage-your-business/stay-safe-cybersecurity-threats))
  - o National Initiative For Cybersecurity Education (NICE) ([www.nist.gov/itl/applied-cybersecurity/nice](http://www.nist.gov/itl/applied-cybersecurity/nice))
  - o National Cyber Security Alliance ([www.staysafeonline.org/cybersecure-business/](http://www.staysafeonline.org/cybersecure-business/))
  - o Department of Homeland Security ([www.cisa.gov/uscrt/ncas/tips](http://www.cisa.gov/uscrt/ncas/tips))
  - o FTC ([www.ftc.gov/business-guidance/small-businesses](http://www.ftc.gov/business-guidance/small-businesses))

**Is the framework being aligned with international cybersecurity initiatives and standards?**

The framework is not a U.S.-only framework. From the outset, private sector stakeholders made it clear that global alignment is important to avoid confusion and duplication of effort or even conflicting expectations in the global business environment. Multi-national organizations have reiterated these needs. The importance of international standards organizations and trade associations for acceptance of the framework's approach has been widely recognized. Some countries and international entities are adopting approaches compatible with the framework established by NIST, and others are considering doing the same. The framework has been translated into several other languages. NIST is actively engaged with international standards-developing organizations to promote the adoption of approaches consistent with the framework.

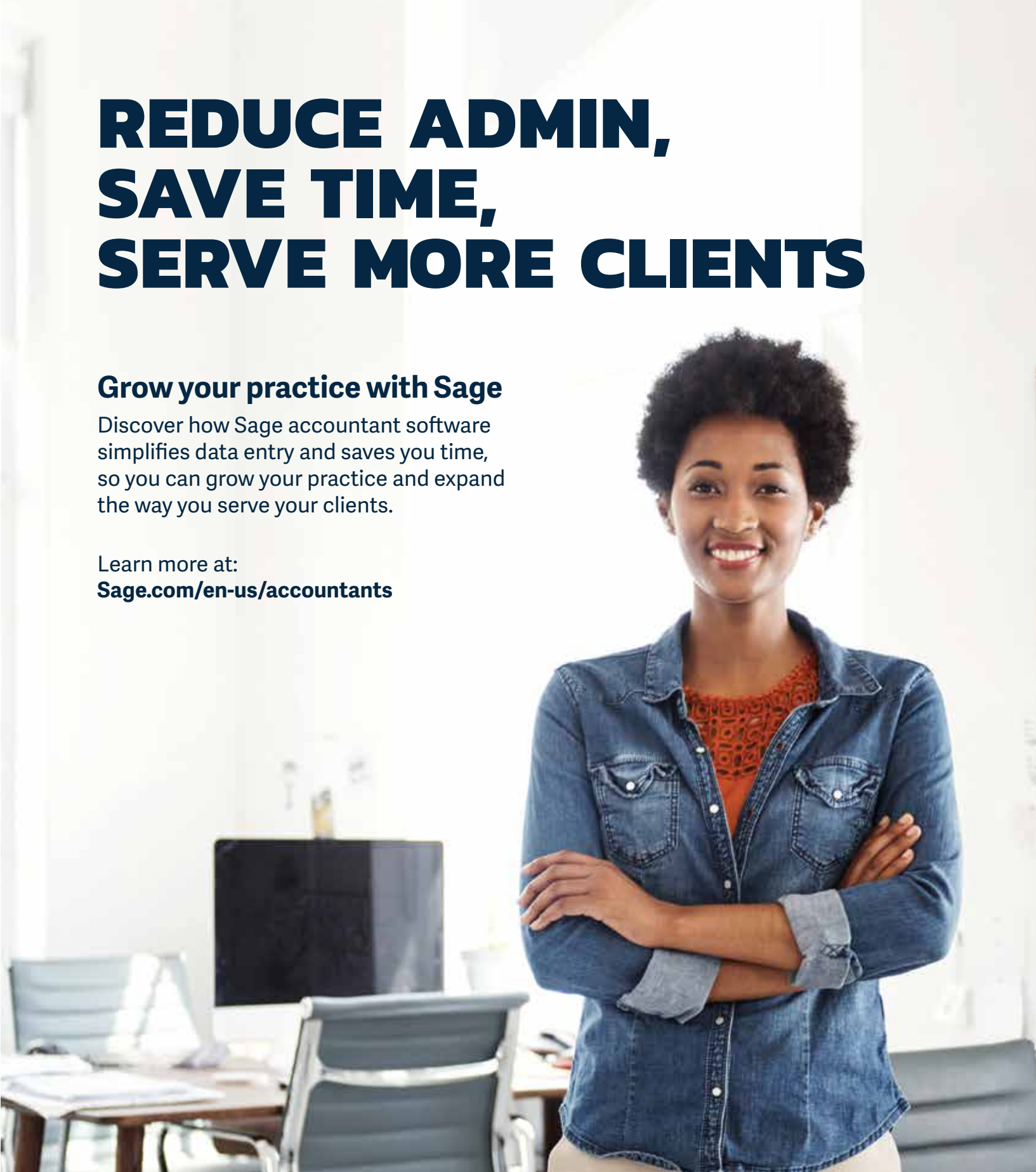
**TOM KIRKHAM** is the founder and CEO of Kirkham IT. Tom founded IronTech Security to focus on cybersecurity defense systems that protect and secure data for the financial, law and water utility industries. IronTech focuses on educating and encouraging organizations to establish a security-first environment with cybersecurity training programs for all employees to prevent successful attacks. Tom has received multiple software design awards and founded other acclaimed technology businesses during his career. He is an active member of the FBI's Arkansas InfraGard Chapter and frequently speaks about the latest security threats. Watch for Tom's new book: The Cyber Pandemic Survival Guide - Protecting Yourself from the Coming Worldwide Cyber War.

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# 2022 Legislative Session Wrap-Up: What You Need to Know

by **DON COOK**

The legislative session in Georgia is constitutionally required to begin on the second Monday of January each year; this year, it began on January 10, 2022. The legislature in Georgia is a part-time legislature that serves the state for 40 days. Each year, the legislative session typically wraps up by the end of March; however, it has operated well into April and even May in the not-too-distant past. This year, the session's final day (Sine Die) is April 4, 2022. The legislature's biggest hurdle is passing a balanced budget each year, which is also constitutionally required.

As your advocate in Georgia, GSCPA will continue to vigorously fight for your interests before legislative and regulatory bodies to ensure your voice is heard.

## STATUS UPDATE

Monday, April 4, 2022, was Sine Die and marked the end of the 2022 Georgia General Assembly Legislative Session. When this article was written, Day 28 had just been completed the Tuesday before and marked the passage of "Crossover Day." The 2022 Legislative Session was interesting in many different ways, with several important bills making the cut to live another day on the last days leading up to Crossover.

At the time of publication, there were 1,579 House Bills, and 632 Senate Bills put forward. This number doesn't include the 1,046 House Resolutions and the 748 Senate Resolutions also heard.

## LEGISLATIVE BILLS OF THE 2022 SESSION

Some of the bills heard (and up for consideration by the Governor) so far during the 2022 legislative session include:

**Georgia General Assembly - HB 1437**  
([www.legis.ga.gov/legislation/62346](http://www.legis.ga.gov/legislation/62346))  
A Bill to be titled an Act to amend Title 48 of the Official Code of Georgia. This bill recently passed the Georgia House and

is on to the Senate Finance Committee. In short, this bill drops the top rate down to 5.25, increases the standard deduction to match the federal levels (\$12k/single and \$24k/joint), gets rid of the tax tables, and does not allow itemizing on the state return any more. There are more nuances (charitable deductions are allowed in lieu of the standard deduction) to the bill. Keep in mind, GSCPA's goal is to help the legislature craft as fair of a tax bill as possible – there is some thinking that this may not be a tax cut for all (the group that is middle/high income and itemizes as an example). More to come on this one, as we hear it will likely change in the Senate.

**Georgia General Assembly - HB 1320**  
([www.legis.ga.gov/legislation/61998](http://www.legis.ga.gov/legislation/61998))  
A Bill to be titled an Act to amend Title 48 of the Official Code of Georgia Annotated. This is the Georgia Conformity Bill, and it has passed both the House and Senate and is on its way to the Governor's desk to be signed. It is the simplest of the conformity bills we have seen in a while, as it conforms to any changes after March 11, 2021, through December 31, 2021. This means any changes after the American Rescue Plan was signed into law. The most significant piece of this year's conformity bill is that Georgia will conform to the Feds on allowing Forest Fires to be added to the list of events that qualify as natural disasters when extending tax deadlines.

**Georgia General Assembly - HB 1058**  
([www.legis.ga.gov/legislation/61411](http://www.legis.ga.gov/legislation/61411))  
A Bill to be titled an Act to amend Code Section 48-7-21, relating to income taxation of corporations; to remove the requirement that affiliated corporations file separate income tax returns with this state unless the Department of Revenue has requested or preapproved the filing of consolidated returns; to authorize Georgia affiliated groups to elect to file separate or consolidated income tax returns; to provide for the effect of such elections; to provide for

tax liability, allocation, and apportionment; to make such election irrevocable for five years; to authorize affiliated groups that have filed consolidated returns to continue under the current law; to provide for definitions; to provide for related matters; to provide for an effective date and applicability; to repeal conflicting laws; and for other purposes.

**Georgia General Assembly - HB 997**  
([www.legis.ga.gov/legislation/61327](http://www.legis.ga.gov/legislation/61327))  
A Bill to be titled an Act to amend Part 1 of Article 2 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to property tax exemptions, to provide for a state-wide exemption from all ad valorem taxes for timber equipment and timber products held by timber producers; to provide for a referendum; to provide for effective dates, applicability, and automatic repeal; to provide for compliance with constitutional requirements; to provide for related matters; to repeal conflicting laws; and for other purposes.

**Georgia General Assembly - HB 910**  
([www.legis.ga.gov/legislation/61135](http://www.legis.ga.gov/legislation/61135))  
A Bill to be titled an Act to amend an Act making and providing appropriations for the State Fiscal Year beginning July 1, 2021, and ending June 30, 2022. This is known as the Supplemental Appropriations Bill, amending the budget crafted during the 2021 legislative session to account for any changes. This bill is to make, provide, and change certain appropriations for the operation of the state government and its departments, boards, bureaus, commissions, institutions and other agencies, for the university system, common schools, counties, municipalities, and political subdivisions, for all other governmental activities, projects, and undertakings authorized by law, and for all leases, contracts, agreements and grants authorized by law; to provide for the control and administration of funds; to provide an effective date; to repeal conflicting laws and for other purposes.

## OTHER LEGISLATION OF NOTE

**Georgia General Assembly - HB 1064**  
([www.legis.ga.gov/legislation/61451](http://www.legis.ga.gov/legislation/61451))  
A Bill to be titled an Act to amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the imposition, rate, computation, exemptions and credits from state income tax, to exclude from Georgia taxable net income certain retirement income received from certain military service; to provide for limitations; to provide for related matters; to provide for an effective date and applicability; to repeal conflicting laws and for other purposes.

**Georgia General Assembly - HB 1058**  
([www.legis.ga.gov/legislation/61411](http://www.legis.ga.gov/legislation/61411))  
A Bill to be titled an Act to amend Code Section 48-7-21, relating to income taxation of corporations, so as remove the requirement that affiliated corporations file separate income tax returns with this state unless the Department of Revenue has requested or preapproved the filing of consolidated returns; to authorize Georgia affiliated groups to elect to file separate or consolidated income tax returns; to provide for the effect of such elections; to provide for tax liability, allocation, and apportionment; to make such election irrevocable for five years; to authorize affiliated groups that have filed consolidated returns to continue under the current law; to provide for definitions; to provide for related matters; to provide for an effective date and applicability; to repeal conflicting laws; and for other purposes.

**Georgia General Assembly - HB 1034**  
([www.legis.ga.gov/legislation/61385](http://www.legis.ga.gov/legislation/61385))  
A Bill to be entitled an Act to amend Code Section 48-8-3 of the Official Code of Georgia Annotated, relating to exemptions from sales and use taxes, to revise the exemption for sales of admissions to nonrecurring major sporting events; to amend the definition of "major sporting event" to include any match of a FIFA World Cup; to extend the sunset provision for the exemption; to provide for related matters; to repeal conflicting laws and for other purposes.

**Georgia General Assembly - HB 896**  
([www.legis.ga.gov/legislation/61111](http://www.legis.ga.gov/legislation/61111))  
A Bill to be titled an Act to amend Code Section 48-5-40 of the Official Code of Georgia Annotated, relating to definitions

for property tax exemptions, to update the population bracket and census date for a certain property tax exemption for the specific leased property; to provide for related matters; to repeal conflicting laws and for other purposes.

**Georgia General Assembly - HB 884**  
([www.legis.ga.gov/legislation/61095](http://www.legis.ga.gov/legislation/61095))  
A Bill to be titled an Act to amend Chapter 1 of Title 43 of the Official Code of Georgia Annotated, relating to general provisions of professions and businesses, to change certain provisions relating to expedited license by endorsement for military spouses; to provide for related matters; to provide for an effective date; to repeal conflicting laws and for other purposes.

## 2022 ELECTIONS

It may or may not feel like it, but elections are right around the corner. The primary election is on May 24, the primary election run-off is on June 21, and the General election is on November 8. Here's the way it currently stacks up:

**Governor**  
Most think this will be a Kemp vs. Abrams election once again. It certainly does feel like this is where the sides are headed. However, David Perdue certainly has added some conversation around the Republican side. Currently, there are five Republicans running and one Democrat. Those qualified to run for Governor include:

- Brian Kemp (R) - Incumbent
- Catherine Davis (R)
- Tom Williams (R)
- David Perdue (R)
- Kandiss Taylor (R)
- Stacey Abrams (D)

**Lt. Governor**  
LG Duncan is not seeking a second term. There are currently four Republicans, nine Democrats and one Libertarian who have qualified to fill this vacancy; they include:

- Burt Jones (R)
- Butch Miller (R)
- Mack McGregor (R)
- Jeanne Seaver (R)
- Erick Allen (D)
- Charlie Bailey (D)
- Tyrone Brooks Jr (D)
- Tony Brown (D)
- Kwanza Hall (D)
- Jason Hayes (D)



Contributing to the GSCPA-PAC is one of the easiest and most effective ways for CPAs to get involved in the political process and have an impact on the CPA profession.

## CONTRIBUTE

[www.gscpa.org/content/pac.aspx](http://www.gscpa.org/content/pac.aspx)

- Derrick Jackson (D)
- R. Malik (D)
- Renitta Shannon (D)
- Ryan Graham (L)

## Senator Warnock

Lots of speculation on this one, qualifying individuals include:

- Gary Black (R)
- Josh Clark (R)
- Kelvin King (R)
- Jonathan McColum (R)
- Latham Saddler (R)
- Herschel Walker (R)
- Tamara Johnson-Shealey (D)
- Raphael Warnock (D) - Incumbent

## Secretary of State

Rep. Bee Nguyen has qualified to run, which would make her Georgia's first Asian American Statewide Elected Official if elected. Also, Congressman Jody Hice has qualified to run against Brad Raffensperger in the republican primary.

- David Belle Isle (R)
- Jody Hice (R)
- TJ Hudson (R)
- Brad Raffensperger (R) - Incumbent
- Dee Dawkins-Haigler (D)
- John Eaves (D)
- Floyd Griffin (D)
- Michael Owens (D)
- Bee Nguyen (D)

**DON COOK** is the vice president of legislative affairs at The Georgia Society of CPAs. He is responsible for legislative advocacy on behalf of the CPA profession in Georgia. Don is a registered lobbyist in the state and works on the grassroots training of GSCPA members while providing education on why members should strongly consider supporting the GSCPA-PAC.





# Buying/Selling a CPA Firm or Small Business

by **ASIF MUZAFFARR, CPA, MBA, MS  
(TAXATION)**

Whether you are a seasoned veteran of merger and acquisition ("M&A") transactions or a beginner seeking to figure out an exit strategy for the first time, this article will provide key insights to help you with one of the most important transactions in your life. Even if you are neither purchasing nor selling a CPA practice, the advice is universally applicable to any M&A transaction and will provide useful knowledge to share with your clients on their transactions.

### INTRODUCTION

Whether it is the chaos of the pandemic, the elapsing of your succession plan milestones, or just a voice inside of you that says, "It's time," you are ready to sell your CPA firm. So, what's the game plan?

Answer: "It depends. Each seller's situation is unique. The outcome of a seller's plan depends on the facts and circumstances. Also, a plan that works for one seller may not necessarily work for another."

Now substitute "taxpayer" for "seller" and read again. You have given this advice hundreds of times in your career, and it coincidentally now applies to your practice sale. There is no single foolproof plan that will work for everyone; however, you need to educate yourself on the relevant considerations, get help as needed, and then apply the strategies that will logically get you the desired outcome.

### STEP 1: PLANNING

If you can avoid it, do not leave planning to the "twilight" of your career. It took me about nine months to complete the purchase of my first firm. On the first day of my fifteen-year career as an owner, I started planning to groom my successors. I am now in the fourth year of ownership, and some of those plans have already failed. Most importantly, more than one has also already succeeded, and I'm fortunate that time to tweak and refine the planning is still on my side.

### STEP 2: PREPARE BUYER INFORMATION PACKAGE

Fundamentally, buyers simply want to know: (1) how much is the business worth, and (2) what exactly you are selling?

For the first, in a November 1, 2013, *Journal of Accountancy* article,<sup>1</sup> the authors stated, "...small firms sell for as high as 1.25 times billings, even occasionally more in cities such as New York, but [they] have seen firms in more remote areas struggle to get one times billings..." This eight-year-old advice still has some merit, but only insofar as a baseline gauge. Many other elements need to be factored in when determining pricing, such as the circumstances surrounding the sale, market conditions, potential strategic value, working capital and prevailing buyer financing terms, to name a few.

For the second, you should start by including quantitative items such as the last three years of tax returns and/or financial statements, fixed asset listing, projections, informal valuation. However, you also just spent the majority of your career as an owner developing intangible assets in personal goodwill, client lists and public accounting processes. In addition, given the current labor challenges in the market, I would pivot on that phenomenon and give the prospective buyer visibility to the potential labor resources they are acquiring. Therefore, I recommend including a practice profile with qualitative items: a one-page biography of owners, client demographics, software, process descriptions, and key employee biographies.

### STEP 3: START ADVERTISING AND GETTING THE WORD OUT, BUT DON'T FORGET TO "STAY QUIET!"

If you try to sell on your own, leverage your network of professional colleagues, whether over drinks at a networking event or a CPE lunch table. When having discussions with these colleagues, ask about their future plans and touch on the subject of them becoming a firm owner when the time seems right. You may also send a confidential letter to let your banker referral partners and other select CPA colleagues know of your intention to retire in the next few years and request that they keep an eye out for any other CPA firms that they think might be interested in expanding.

For some anonymous outreach, first, obtain a listing of CPA firms in your target location and send a letter or email to the managing partners of the firms that are similar in size to yours. Initially, introduce your firm anonymously with an invitation to respond to a Gmail, Yahoo or Outlook account. Second, you can post classified

advertisements in the neighboring society publications using the same anonymous email. In both strategies, you can let them know you will respond with additional details once they have returned your signed Nondisclosure Agreement ("NDA").

The general recommendation of all professionals I have interacted with on my M&A activity is that internally you "stay quiet!" until a few days before closing when there is relative certainty that the deal will be completed (i.e., when financing is absolutely certain). At that point, you notify key personnel first and then all other team members within a few days. When the announcement is made to the entire office, you should have a follow-up firm-wide meeting to introduce the new owners on the same day. This overall approach avoids unnecessary panic, allowing employees the opportunity to ask questions freely of the seller, and the same day introduction of the new owner minimizes staff anxiety.

### STEP 4: EITHER (1) BUYER FOUND, OR (2) EVALUATE YOUR RESULTS TO-DATE

At this point, you should have found a buyer. If not, it might be time to hire a broker or consultant to assist with Steps 1 to 3.

### STEP 5: ENGAGE SPECIALISTS

The main advantage of a CPA consultant with M&A expertise is to fill the gaps in the deficiencies of the other providers. It is very unlikely that they have maneuvered through all facets of M&A deals for small businesses in the capacities of both buyer and seller. It is even less likely that they have done so with tax and accounting expertise. Having someone who speaks your language to get advice and have technical discussions is the value proposition.

Now while it is true that you will lose 10 percent of the selling price for a broker's commission, there are many benefits to hiring a business broker, and tax effected, you are likely closer to a seven percent loss. Be careful, though, as all are not equal. Some merely facilitate an introduction and do absolutely nothing else, and I strongly advise against this approach to selling a CPA firm. Others provide solid support and make an effort by assisting both buyer and seller in completing the deal. The best brokers I know prepare a detailed memorandum on each practice, assist buyers in finding attorneys and financiers, connect clients to CPA consultants when they run into technical issues, and aspire to create a partnership between the buyer and seller rather than a quick deal with a thirty-day or less transition.

Similarly, many attorneys have handled preparation and review of Purchase Sale Agreements ("PSA") on a few occasions throughout their careers. They are likely very capable of doing it for any CPA firm sale. Notwithstanding, the larger the deal or more complex the transaction, the more I recommend employing a larger firm with M&A attorneys. I used M&A attorneys on all of my transactions to date, and, without exception, on each deal, they found material errors of varying degrees of magnitude in the works of their non-M&A attorney counterparts.

*Buying/Selling continued on page 26*

<sup>1</sup>Sinkin, Joel, and Putney, Terrence. "How to value a CPA firm for sale." *Journal of Accountancy*. Drew, Jeff, senior editor. October 31, 2013. AICPA. Accessed December 6, 2021. <https://www.journalofaccountancy.com/issues/2013/nov/20138232.html>.



Selecting the title company is usually the easiest part of this step. Where real estate is involved, you would likely want to select the company that worked on the last title change, which will save some fees. Otherwise, the consultants, attorneys, brokers, and banks have a slew of title companies they can refer you to.

**STEP 6: PREPARE NDA, NEGOTIATE TERMS, PREPARE LOI AND COLLECT BUYER DEPOSIT**  
With your buyer identified, they will need to sign an NDA so that your financial and firm information may be shared confidentially. Your attorney, broker, or consultant should be able to assist you in getting one drawn up.

With the NDA in place, negotiations begin, and the material terms of the deal, such as purchase price, financing terms, post-deal employment, due diligence ("DD") and escrow deposit, are written into a non-binding Letter of Intent ("LOI") usually prepared by buyer. Although the LOI is non-binding, some of the terms may become binding after certain milestone dates elapse with non-performance or completion of actions.

**STEP 7: GET BUYER PROOF OF FINANCING, ESTABLISH SELLER CARRYBACK AND ATTORNEYS PREPARE PSA AND OTHER AGREEMENTS**  
With the signed LOI, the buyer will apply for a loan, and the attorneys will begin the preparation of the deal documents and agreements. Most financiers will require the seller to carry a portion of the debt through a note of their own (on small deals at least 10 percent of the purchase price). If approved, the financier would then issue a conditional offer letter wherein if certain conditions are satisfied (e.g., independent appraisal supports purchase price, financial information is documented and supported), they will loan the buyer the funds. The seller should obtain a copy of this letter to get comfort that the buyer is pre-qualified by an independent financier and initially believed to be creditworthy enough to buy the business from you.

**STEP 8: BUYER PERFORMS DUE DILIGENCE AND COMPLETES STUDIES AND APPRAISALS**  
The level of DD is commensurate with the complexity of the deal and the buyer's sophistication. Regardless, the seller merely needs to be transparent, deliver any information requested, and answer questions posed by the buyer. Experience has shown me that a secured online portal is the most convenient way to move documents between buyer and seller and keep information private from staff.

The business appraisal is initiated, and if real estate is a part of the deal for owner-occupied offices, then a real estate appraisal (by the financier's preferred appraiser) and environmental studies (Phase I and/or II) may be required as a condition of obtaining financing. The faster they can be requested, the faster they can be completed, and I would estimate three weeks at a minimum for either appraisal or study.

**STEP 9: FINALIZE LOAN, POST-CLOSING EMPLOYMENT AGREEMENTS, PSA, TAIL COVERAGE, LOSS LIMITS, WORKING CAPITAL AND DD FINDINGS**  
The sticking points on your practice sale are going to boil down to a handful of deal elements. The usual suspects are: (1) accounts receivable, its valuation and legal nuances; (2) working capital adjustment to be included in the purchase price; (3) tail coverage and loss limitations; and (4) post-transaction compensation arrangements where the seller continues working. These items are not always easy to resolve, and the PSA (and, by extension, the loan) documents cannot be completed until they are. Ultimately, it will hinge on both seller and buyer being realistic, sharing sacrifices, and compromising.

**STEP 10: AGREEMENTS FINALIZED; BANK, LAWYERS AND TITLE COMPANY ARRANGE SETTLEMENT AND CLOSING**  
Once all terms are agreed to, the bank, title company, and attorneys on both sides will work together with the buyer and seller to arrange funding of the loan and signing of all finalized documents. A Flow of Funds Statement and Settlement Sheet (usually prepared by the buyer's bank and attorney) are prepared for the seller, attorney, and title company to review. Once all parties agree to the flow of funds to recipients and their respective institutions' routing and account numbers, wire transfers are initiated, and the transaction is completed.

**SUMMARY**  
The task of selling your CPA firm or small business is not easy. The old approach of automatically selling to someone within the firm is no longer guaranteed, and when available, it may not always be the best option. You begin by taking your emotions out of the picture and commoditizing your business. After those deal documents are signed, someone else will be calling the shots, and you need to be prepared to let it go. In addition, it is never too early to start the process of planning your succession. Throughout your career, you will need to be on the lookout for items that may impact your future sale. For example, during ownership, you would not want to enter into any employment agreements with your entity; otherwise, your goodwill will become a business asset. If the goodwill were personal instead, then it would be portable and may be domiciled in another taxpayer-friendly jurisdiction before your sale to save on capital gains and income taxes. With a little effort, and a bit of luck, the right person will be found, and then you can grab your bags and head off to that tropical beach for some well-deserved rest and relaxation.

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**ASIF MUZAFFARR, CPA, MBA, MS (TAXATION)**, is the managing partner of Foster and Associates, CPA, LLC, Portland. The practice focuses on preparation, planning, consulting, and representation services for individuals, businesses, not-for-profits, estates and trusts. Asif focuses on business and individual services and is the functional leader of the firm's Individual and Tax Controversy teams. In going through his own M&A transactions over the last four years, he realized that courses were neither designed nor were articles written effectively to assist and educate practitioners on small business M&A transactions. His goal is to assist other practitioners with succession planning and small business M&A transactions so that they have a resource to turn to when the need arises for themselves or their clients. He can be reached at 503-297-2610 or asif@fostercpas.com.

Are you ready to leverage your expertise and welcome a whole new source of revenue for your accounting and auditing practice?

The peer review landscape has changed over the last several years, and having a quality peer review is more important than ever. By becoming a peer reviewer, you'll be in high demand — and you can help grow your business and build your reputation as a firm that stands behind its commitment to providing high-quality services.

**Firms want value.**

As a provider of audit and accounting services, you understand clients' demand for high-quality services. The same goes for businesses looking for peer reviewers, who want a quality peer review to help them:

- Improve processes.
- Obtain education or recommendations to correct findings or deficiencies.
- Establish and maintain a system of quality control to comply with Statements on Quality Control Standards (SQCS) No. 8.
- Convey honesty, professionalism and trustworthiness to their clients.

**You have a unique vantage point.**

With your experience in the profession, you can help firms achieve the results they want while bolstering their own practice. Here are some of the tangible benefits that you'll get as a peer reviewer.

- Greater confidence in your own practices and procedures
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- Insight to perform more effective audit procedures
- Expertise in understanding common areas of professional standard noncompliance

**Become an expert in practice management.**

As a peer reviewer, you'll gain additional opportunities to network with your peers, which provides insight to tackle challenging practice management issues outside of regular services you provide to your clients, such as:

- Staffing and employee retention
- Partner or shareholder challenges
- Firm mergers and acquisitions
- Succession planning



**Ready to get started?**  
Visit [aicpa.org/BeAReviewer](https://aicpa.org/BeAReviewer) for requirements and training options.

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# Member News



## PROMOTIONS & NEW POSITIONS

**Warren Averett's Kim Hartsock, CPA**, the office managing member of the Atlanta office, has been selected as a 2022 Georgia Titan 100, which marks her as one of Georgia's Top CEOs and C-Level Executives. The Georgia Titan 100 program recognizes the most accomplished business leaders in their industries who demonstrate exceptional leadership, vision and passion.

**McNair, McLemore, Middlebrooks & Co., LLC** is pleased to announce the admission of **Brittany N. Hartley, CPA** and **Brian N. Gordon, CPA**, to the partnership in the Macon office.



## FIRM NEWS

**Mauldin & Jenkins, LLC**, an award-winning accounting, advisory, and consulting firm, is thrilled to announce that it has been named one of Accounting Today's Top 100 Firms for its 28th year. Climbing six spots, the firm comes in at number 77.



## IN MEMORIAM

**Mary Robitzsch**, Atlanta, Ga.  
**J.S. Staley**, North Augusta, S.C.  
**Michael T. Stone**, Atlanta, Ga.



# CPA Firm License Renewal Period is Now Open

All CPA Firm licenses expire on June 30, 2022. The window for renewing your CPA Firm license will be through June 30, 2022. Email notifications for renewal were sent on April 1. If your firm contact email address has changed since your last firm renewal, please contact the Georgia State Board of Accountancy at [gsba@sao.ga.gov](mailto:gsba@sao.ga.gov) to ensure they have the correct email address on the firm license record.

The renewal process will be completed online, and the fee is \$150 for the two-year period ending June 30, 2022. Instructions for renewing your CPA Firm license online were included in your email notification and on the GSBA website. Please note that it is your responsibility as a licensee in the State of Georgia to renew your firm license by the due date. A statutory late fee of \$250 will be included on all firm renewals after the expiration date without exception.

## FOR MORE INFORMATION AND TO RENEW

Visit the State Board website: [www.gsba.georgia.gov](http://www.gsba.georgia.gov).



# Thank You, 100% GSCPA Membership Participants

Committing to 100% Membership with GSCPA creates ample opportunity for continued education, resources within the profession, and much more. Companies with ten or more CPAs who agree to have every CPA as a member of GSCPA are eligible to receive additional exclusive benefits as participants in this program. Join these Georgia businesses and support the CPA profession and The Georgia Society of CPAs.

## JOIN THE 100% MEMBERSHIP PROGRAM

If you are interested in joining our 100% Membership Program or have further questions, please contact Emily Smith at 404-504-2947 or [esmith@gscpa.org](mailto:esmith@gscpa.org). More information is available at [www.gscpa.org/content/100-Membership.aspx](http://www.gscpa.org/content/100-Membership.aspx)



ALLEN PRITCHETT & BASSETT, LLP  
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS





# Growing and Nurturing Future CPAs through The Educational Foundation

*Raising funds for the many scholarships and programs is a year-long endeavor. There are multiple opportunities for GSCPA members to donate to the Foundation at any point in the year, making it convenient for you to give back to the profession's future.*

All GSCPA members are encouraged to donate through one or more available programs. By attracting the best and brightest students to the accounting profession, you have attracted the best and the brightest candidates to fill your next open position.

Thanks to your generous contributions, scholarships ranging from \$1,000-\$5,000, for a total of \$109,700, were awarded to over 60 accounting students from 14 different universities and colleges. The Foundation awarded an additional \$16,000 in scholarships through the Chapter Matching Funds Program, and GSCPA chapters granted Georgia universities and colleges \$3,000 in institutional support for a grand total of \$128,700. Students were selected based on their commitment to pursuing a career in accounting, academic performance and leadership skills.

### FOR QUESTIONS AND MORE INFORMATION

Please contact Callie Hammond, manager, pipeline initiatives, at [chammond@gscpa.org](mailto:chammond@gscpa.org) or 404-504-2953.

## ways to donate



### DUES CHECK-OFF

When you receive your dues statement, donate through a check-off with your dues each year. This easy and convenient process allows you to roll your donation in with your membership renewal.



### GOLF TOURNAMENT

In the spring, the Foundation's annual golf tournament brings members and colleagues together for a fun-filled day of golf and friendly competition while raising funds for accounting scholarships.



### 10 FOR 10

This Foundation campaign encourages members to donate \$10 and get at least ten friends and colleagues to donate \$10. This program runs throughout the year.



### GIVING NOVEMBER

This fall, the Foundation will combine Giving Tuesday and Pay it Forward to encompass an entire month to maximize fundraising efforts. As a grassroots campaign, all members are asked to help spread the word about the Foundation.



### END OF YEAR GIVING

December marks the annual year-end giving campaign. Your tax-deductible charitable contribution will provide financial assistance for programs, including scholarships.

## congratulations to the following scholarship recipients:

**BATES, CARTER & COMPANY, LLP SCHOLARSHIP**  
\$2,000 Madison Perissi, University of North Georgia

**BEN BRANNON ACCOUNTING SCHOLARSHIP**  
\$3,000 Sarah Fandry, Kennesaw State University

**BENNETT THRASHER PC SCHOLARSHIP**  
\$2,400 Mia Neives, Georgia State University  
\$2,400 Gillian Barnes, Kennesaw State University  
\$2,400 Brock Arbeiter, University of Georgia  
\$2,400 Mary Smith, Georgia College & State University  
\$2,400 Conner Knuckles, Valdosta State University

**COLLINS/MOODY + COMPANY, PC SCHOLARSHIP**  
\$1,600 Kaylee Boudreaux, University of North Georgia  
\$1,600 Heath Warren, Georgia Southwestern State University  
\$1,600 John McClung, Middle Georgia State University

**GIFFORD, HILLEGASSE & INGWERSEN, LLP SCHOLARSHIP**  
\$1,600 Caylee Whiteford, University of Georgia  
\$1,600 Annabel Luong, Georgia Institute of Technology  
\$1,600 Jordan Newman, Georgia Southern University

**APRIO SCHOLARSHIP**  
\$1,600 Rhiannon Belcher, Kennesaw State University  
\$1,600 Meghan Harp, University of Georgia  
\$1,600 Jacob Dease, Georgia Southern University

**JULIUS M. JOHNSON SCHOLARSHIP**  
\$5,000 Devan Sprayberry, Kennesaw State University

**DONALD W. RHODES SCHOLARSHIP**  
\$1,600 Tasharie Ormsby, Georgia State University

**RHODES, YOUNG, BLACK & DUNCAN SCHOLARSHIP**  
\$1,600 Sharon Higgins, Georgia State University  
\$1,600 Regine Mae Bernado, Georgia State University

**ROBERT LANGE ACCOUNTING SCHOLARSHIP**  
\$3,000 Aiden Sutherland, Georgia State University

**ROBINSON GRIMES & COMPANY KEITH GRIMES SCHOLARSHIP**  
\$1,600 Jack Sutton, University of Georgia

**ROBINSON GRIMES & COMPANY ROSS E. ROBINSON SCHOLARSHIP**  
\$1,600 Caitlin Fullerton, University of Georgia

**ROBINSON GRIMES & COMPANY**  
\$1,600 Joshua Spiller, University of Georgia

**WINDHAM BRANNON EXCELLENCE IN ACCOUNTING SCHOLARSHIP**  
\$1,600 Alex Carroll, University of Georgia  
\$1,600 Scott Alexander, University of Georgia  
\$1,600 Kate Aycock, University of Georgia  
\$1,500 Suyeon Oh, University of Georgia

**WINDHAM BRANNON'S BEN BRANNON SCHOLARSHIP**  
\$2,400 Kyle Lutian, Berry College

**WINDHAM BRANNON'S BILL BOMAR SCHOLARSHIP**  
\$2,400 Erin Whatley, University of North Georgia

**WINDHAM BRANNON'S FRED WINDHAM SCHOLARSHIP**  
\$2,400 Celina Couch, Kennesaw State University

**WINDHAM BRANNON'S JIM DUVAL SCHOLARSHIP**  
\$2,400 Emma Claire Wells, Berry College

**WINDHAM BRANNON'S STUART CASHIN SCHOLARSHIP**  
\$2,400 Gracie Freeman, Georgia College & State University

**HOWARD HERMAN SERVICE AWARD SCHOLARSHIP**  
\$2,000 Eliza Todorora, University of Georgia

**BILL AND ELLEN SWEATT EXCELLENCE IN ACCOUNTING SCHOLARSHIP**  
\$1,000 Crystan Yang, Georgia State University

**BLACKWELL POOLE, LLP ACCOUNTING SCHOLARSHIP**  
\$2,500 Matthew Swett, Georgia State University

**MCNAIR, MCLEMORE, & MIDDLEBROOKS & CO.**  
\$2,100 Kimberly Van Genderen, Mercer University

**EDUCATIONAL FOUNDATION OF THE GEORGIA SOCIETY OF CPAS ACCOUNTING SCHOLARSHIP**  
\$1,200 Jazmin Albarran, Kennesaw State University  
\$1,200 Raul Alcantara, Kennesaw State University  
\$1,200 Jasmine Alexander, Georgia Southern University  
\$1,200 Axel Yadiel Alicea Cruz, Georgia Southern University  
\$1,200 Valeria Angel, University of North Georgia  
\$1,200 Kinza Ayaz, University of Georgia  
\$1,200 Aaron Bensley, Berry College  
\$1,200 Austin Caddick, Georgia Southern University  
\$1,200 Sara Eve Caruthers, University of Georgia  
\$1,200 Matthew Chester, Georgia College & State University  
\$1,200 Trang Elliott, Georgia State University  
\$1,200 Gabrielle Graham, Georgia Southern University  
\$1,200 Haeli Hicks, Georgia State University  
\$1,200 Jayla Hill, Kennesaw State University  
\$1,200 Thao Ho, Georgia State University  
\$1,200 Jacob Hopkins, University of North Georgia  
\$1,200 Allyson Ireland, University of Georgia  
\$1,200 Samuel Johnson, Georgia State University  
\$1,200 Charles Jones, University of North Carolina  
\$1,200 Thi Hong Oanh Le, Georgia State University  
\$1,200 Sabrina Leung, Kennesaw State University  
\$1,200 Michelle Lopez, Kennesaw State University  
\$1,200 Jackson Medford, Mississippi State University  
\$1,200 Madelyn Nails, University of North Georgia  
\$1,200 Carlos Parodi, Georgia Southern University  
\$1,200 Juan Prado-Graziosi, University of North Georgia  
\$1,200 Jack Snyder, Georgia Southern University  
\$1,200 Jack Waller, Georgia Southern University  
\$1,200 Sharon Zinger, Kennesaw State University





# CPAs Unite Virtually for the 10th Annual CPA Day

*On Tuesday, February 22, 2022, members of The Georgia Society of Certified Public Accountants (GSCPA) gathered virtually for their 10th Annual CPA Day event to discuss upcoming and current legislation affecting the accounting profession. Due to circumstances outside of GSCPA's control, the event this year could not be held in person at the Gold Dome.*

"While we were saddened we were unable to meet face-to-face, we were still able to successfully engage with state legislators virtually to offer our CPA members a valuable resource and help them understand the issues facing CPAs within Georgia. The value of this event is so important for our members and state leaders, and we are thankful that we can make this possible each year. We are already looking forward to next year, when we can meet face to face, with plenty of handshakes and hugs to go around," GSCPA CEO Boyd Search said.

At this year's CPA Day, members were given updates on current legislative issues by CPA Legislators Rep. David Wilkerson, Rep. John Carson and Senator Billy Hickman. Following their briefing, Paul Ziga from The Georgia Board of Accountancy addressed CPA licensure in 2022. Chairman Shaw Blackmon updated members on the Ways and Means report, and Chairman Chuck Hufstetler shared his financial insights for the upcoming year. Commissioner Robyn Crittenden from The Georgia Department of Revenue (DOR) addressed the attendees on updates within the DOR. The program ended with GSCPA VP Don Cook speaking on the GSCPA Legislative efforts.

"Each year during the legislative session, numerous pieces of legislation are introduced that can potentially impact our profession and the clients we serve. These relationships with our state and local elected officials bring a huge benefit to the CPA profession in the current year and for years to come," GSCPA Board Chair Tom Harrison said. To learn more about GSCPA CPA Day at the Gold Dome, visit <http://bitly.com/CPADay>.

## become a gscpa key person

### KEY PERSON PROGRAM

GSCPA's Key Person Program is a vital component to GSCPA's advocacy efforts, getting Georgia CPAs involved in grass roots action at the state level. Key Persons are those CPAs who are willing to contact their legislator to discuss issues affecting the CPA profession.

### RESPONSIBILITIES

Key Persons have few responsibilities until needed. When an issue or challenge arises regarding current and future legislation for which GSCPA needs grass roots input, the Society will activate Key Persons. GSCPA will provide you with necessary information so that you can contact your legislator via calls or a personal visit. If you have a relationship with a legislator, or are willing to establish one, please join and have your voice heard.

### FOR MORE INFORMATION

[www.gscpa.org/content/Advocacy/Key-Person-Program.aspx](http://www.gscpa.org/content/Advocacy/Key-Person-Program.aspx)



# Join GSCPA in Maine for the 2022 Annual Convention

The Georgia Society of CPAs Annual Convention will be held June 5-8, 2022, at The Samoset Resort in Camden-Rockland-Rockport, Maine. The convention is a family-friendly, fun-filled, four-day event allowing attendees the opportunity to mix and mingle and meet new friends. CPAs can take advantage of the approximately 12 hours of CPE offered on various topics, including professional issues, leadership development and more. On Monday morning, plan to participate in the GSCPA Annual Business Meeting, where you will hear what your Society has accomplished over the past year and what the plans are for the upcoming year. See you in Maine!

### SAMOSET RESORT ON THE OCEAN

Perched on 230 waterfront acres overlooking Penobscot Bay, the Samoset Resort is a Maine vacation resort with a rich history that dates back to 1889. From the moment you arrive at the Samoset, you will enjoy warm, intuitive service along with elegant accommodations, oceanside dining, an 18-hole championship golf course and a seemingly endless variety of activities. Soak up the sun from a spectacular 200,000-gallon "zero entry" pool and multi-tiered deck. Indulge in a little personalized pampering at the seaside spa and salon. Enjoy the tennis, basketball, disc golf and lawn games at our ultimate backyard, which supplies an endless amount of activities.

### RESORT RESERVATIONS

Reservations: 800-341-1650

Link available at [ac.gscpa.org](http://ac.gscpa.org)

Groups block code: 060522GSCPA

### CONVENTION REGISTRATION

Registration information will be available soon. In the meantime, if you have any questions as you make your travel arrangements, please contact Callie Hammond at [chammond@gscpa.org](mailto:chammond@gscpa.org). As a friendly reminder, all travel costs will be on your own.

### COVID-19 PROTOCOL

GSCPA will enforce and follow both the Centers for Disease Control and Prevention (CDC) and World Health Organization (WHO) guidelines and the Samoset Resort guidelines.

## optional activities

### MONDAY, JUNE 6

**Farnsworth Museum | 10 a.m.**

The Farnsworth Art Museum offers a nationally recognized collection of works from many of America's greatest artists, with 20,000 square feet of gallery space and over 15,000 works in the collection.

### TUESDAY, JUNE 7

**Schooner | 1-3 p.m.**

(12:45 p.m. arrival for check-in)

Sail around the magnificent Penobscot Bay on the Schooner Surprise.

**Harbor Cruise | 1-3 p.m.**

(12:45 p.m. arrival for check-in)

Lobstering and Lighthouse Cruise- During this trip, we will observe two lighthouses while learning the history of the bay. We also haul a lobster trap and explain how it's done on the rugged Maine coast. Passengers can sit back and take it all in or gear up and get the true experience!

**Winery Tour | 1 p.m.**

Enjoy the Cellardoor Winery in Lincolnville for a pairing of three bites of food paired (cheese, salami, chocolate) with three wines. This pairing also includes a guided winery tour and lasts approximately 90 minutes





*the value of*  
**THE GEORGIA  
SOCIETY OF CPAs  
MEMBERSHIP**

*As an accounting professional in Georgia, the CPA profession benefits from and takes pride in your contributions every day. That pride works in both directions. You are one of over 21,000 CPA professionals in Georgia, and what better way to show pride in your profession than to be a member of the only professional organization in Georgia that is working for you, with you in mind, advancing the accounting profession. Your profession.*

*With that partnership in mind, GSCPA sincerely hopes that you are and will continue to take advantage of the countless GSCPA member benefits that are right at your fingertips. For more information on the many advantages of your membership in The Georgia Society of CPAs, visit the My Membership area of the GSCPA website, [www.gscpa.org](http://www.gscpa.org), or call the Member Services Department at 800-330-8889, extension 2986.*



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**Your News & Resources**

The Georgia Society of CPAs helps you stay ahead of the curve. From curated e-newsletters to videos highlighting hot topics, GSCPA brings you the latest news, insider perspectives and in-depth analysis.

- CURRENT ACCOUNTS**  
In-depth coverage of topics affecting the profession and Georgia's business community in our award-winning bi-monthly magazine.
- THE VOICE**  
A fast-read email with current trends, accounting news and the latest in GSCPA news and upcoming events.

- GSCPA.ORG**  
24/7 online access to our vast CPE event catalog, professional news and videos, GSCPA career center and exclusive member benefits.
- GSCPA INTEREST COMMUNITIES**  
Customized web pages and dedicated emails with the latest news concerning your specific interest areas.

**Your Profession, Your Voice**

GSCPA serves as a guardian of the CPA credential through our leadership and support of professional standards programs. We use the collective voice of almost 13,000 members to place the interests of the profession front and center as decisions are made at the statehouse and within Congress. Your individual GSCPA membership plays a critical role in ensuring CPAs have a strong advocate during a time of economic and political uncertainty.

- THE EDUCATIONAL FOUNDATION**  
Through The Educational Foundation, GSCPA provides over \$100,000 in annual scholarships to deserving accounting students. Encouraging the best and brightest students to become CPAs through scholarships, leadership programs, and career planning resources is crucial to sustaining and advancing the profession.



**Your Connection**

As one of more than 22,000 CPA professionals in Georgia, what better way to show pride in your profession than to be a member of the only professional organization in Georgia working with you in mind to advance the CPA profession—your profession.

- VOLUNTEER OPPORTUNITIES**  
Enhance your leadership skills and grow your network while also responding to the profession's needs through a GSCPA volunteer position such as advisory councils, committees and task forces, community involvement, serving on the board of directors or leadership council.
- CAREER CENTER**  
Search GSCPA's online career center by keyword, job type or location to easily find your next great candidate or plan your next career move.
- CHAPTERS**  
GSCPA's chapters provide a critical point of connection and professional resource for CPA peers throughout the state.





# Join Us for Beach Clusters This Summer in Jekyll Island

*During this two-day event you can choose sessions from one track or mix-and-match across multiple tracks for a variety of topics. Attend half a day or all day, one day or both days—the flexibility and creativity is all yours.*

## facility

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Jekyll Island, GA 31527

## fees

**EARLY FEE**  
\$180 Member, \$230 Nonmember

**STANDARD FEE**  
\$200 Member, \$250 Nonmember

**LATE FEE**  
\$230 Member, \$280 Nonmember

## register

Register online at [www.gscpa.org](http://www.gscpa.org) or call 800-330-8889, Opt. 3

## day one: june 9

### CURRENT ISSUES IN ACCOUNTING AND AUDITING: AN ANNUAL UPDATE

**June 9, 2022 | 8 - 11:30 a.m.**  
**CPE: 4 A&A | Event Code: CLJ001**  
Accounting and attestation practitioners at all public accounting and business and industry levels will receive an overview of recent FASB and AICPA activity. Discussion includes recently issued and proposed Accounting Standards Updates (ASUs); the latest on the new lease accounting standard, Topic 842; other relevant ASUs; and soon-to-be-effective new auditing standards and the latest on new standards issued by the ARSC related to SSARS engagements.

### THIS YEAR’S TOP TAX AND FINANCIAL-PLANNING IDEAS

**June 9, 2022 | 8 - 11:30 a.m.**  
**CPE: 4 Tax | Event Code: CLJ002**  
With tax rates for individuals, estates and trusts changing, tax planning has become more critical. CPAs must consider new ideas for financial planning and retirement. Explore practical tax-planning ideas that practitioners can use to assist clients with their needs. Seminar content is continually updated for items regarding tax reform, including the 2021 stimulus bill(s).

### **NEW** UPDATE ON THE AICPA’S NEW ETHICS AND QUALITY CONTROL STANDARDS

**June 9, 2022 | 12 - 3:30 p.m.**  
**CPE: 4 A&A | Event Code: CLJ003**  
Quality and ethics are the hallmark characteristics of the accounting profession. As CPAs, it is our responsibility to have a firm understanding of our professional

responsibilities in these two key areas. Cover the details of the enacted and proposed changes to the AICPA Code of Professional Conduct (Code) and Quality Management standards, especially those that impact our communication of noncompliance with laws and regulations and other changes which will affect our independence. Review the new quality management standards proposed by the AICPA, which will significantly change how firms design and deploy their processes that ensure engagement quality and compliance with the Code.

### SECURING A COMFORTABLE RETIREMENT

**June 9, 2022 | 12 - 3:30 p.m.**  
**CPE: 2 Tax/2 Specialized Knowledge | Event Code: CLJ004**  
Receive needed knowledge to help your clients plan for retirement by evaluating how much retirement income they will require and plan for how to reach their retirement goals.

## day two: june 10

### GUIDE AND UPDATE TO COMPILATIONS, REVIEWS, AND PREPARATIONS

**June 10, 2022 | 8 - 11:30 a.m.**  
**CPE: 4 A&A | Event Code: CLJ005**  
Designed explicitly for compilation, preparation, and review practitioners and their staff, receive an overview, update and hands-on application for performing compilation, preparation and review engagements. Learn the ins and outs of SSARS No. 21, Clarification and Recodification, and other recent releases from the AICPA that impact SSARS engagements. Study the essential provisions of the recently issued SSARS No. 25, effective for 2022 engagements. Receive practical examples and illustrations to help you effectively and efficiently perform compilation, preparation, and review engagements.

### THE TOP FIVE TAX ISSUES IN DEALING WITH LLCs AND PARTNERSHIPS

**June 10, 2022 | 8 - 11:30 a.m.**  
**CPE: 4 Tax | Event Code: CLJ006**  
Partnerships and LLCs involve unique problems that require careful attention. Cover selected critical tax issues that practitioners need to know when working with partnerships and limited liability companies, focusing on planning opportunities and pitfalls.

### TECHNOLOGY TRENDS AND HOT TOPICS IMPACTING THE ACCOUNTING PROFESSION

**June 10, 2022 | 12 - 3:30 p.m.**  
**CPE: 2 Auditing/2 Information Technology | Event Code: CLJ007**  
While CPAs’ commitment to ethics hasn’t changed, the environment in which CPAs operate has changed significantly over the past decade and will continue to change as rapidly, or even more so, over the next few years. Review the CPA’s ethical requirements with a specific focus on technology’s impact. Explore ethical data

security and privacy challenges, investigate emerging technologies such as artificial intelligence and blockchain and discuss how technological advances impact how CPAs provide their services. Examine recent initiatives of the International Ethics Standards Board for Accountants (IESBA) to update its Code to provide guidance to assist accountants and auditors in navigating the more pressing ethics and independence challenges arising from evolving technologies.

### EMPLOYER’S HANDBOOK: HEALTH CARE, RETIREMENT AND FRINGE BENEFIT TAX ISSUES

**June 10, 2022 | 12 - 3:30 p.m.**  
**CPE: 2 Business Law/2 Tax | Event Code: CLJ008**  
The employer-employee relationship strains both sides in uncertain times, and businesses need CPAs, controllers and other advisors to provide an understanding of the complex legal and tax issues associated with all aspects of employment, especially now. Explore in-depth coverage of this critical area, including recent legislative changes.



BUSINESS SERVICES



Business Appraisals: Flat-Fee Informal and Certified Business Valuations to help your clients make material financial decisions with their business equity. Areas: Tax Reporting (IRC 409a, Estate & Gift – FLPs/BDITs/SLATs/IDGTs/GRATs, S Corp Conversion / Built in Gain Tax), Financial Reporting (Impairment Testing ASC 350/360, Purchase Price Allocations ASC 805, and Stock-Based Compensation ASC 718), Shareholder Disputes and Business Divorce, Marital Divorce, M&A, Exit/Succession Planning. Contact David H. Hern, CPA/ABV, ASA, CEPA: Phone: 770-776-8852 E-mail: david@soferadvisors.com



Business Brokerage: Licensed Business Broker, 20 years in business. Past President of the Georgia Association of Business Brokers. We represent businesses for sale. If you have a client ready to exit their business, please reach out to me. Greg DeFoor, CPA, CFE. 678-919-2230 Ext. 701 or gdefoor@defoorbusiness.com.

Peer Review: Rea CPA Group PC – peer reviews for sole practitioners and small firms. We have the client base, technical skills, plus the understanding to help your firm. Years of peer review experience ensures efficient work on peer reviews. Contact Steve Rea, 770-455-8706 or Steve@reacpagroup.com. Thank you.



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POSITIONS AVAILABLE

4 DAY WORK WEEK – FULL TIME COMPENSATION. Accounting professionals in the tax, accounting and audit areas needed for rapidly expanding CPA firm with offices in Atlanta, Peachtree Corners and Marietta. The firm offers very attractive compensation, significant employee benefits, opportunities for rapid advancement and a friendly work environment. We have opportunities for individuals with all levels of experience. A CPA license or progress toward certification is a definite plus. Take a step forward to advance your career by joining our team. Life is good at Fricke & Associates, LLC. Please respond to lori@frickecpa.com or call 770-216-2226.

TAX MANAGER OR JUNIOR TAX PARTNER OPPORTUNITY. Openings available at a rapidly growing multi-office CPA firm. Responsibilities include: managing a large and diverse client base, supervising and training a staff of tax professionals, oversight of tax processing work flow, tax planning and resolution, and new client development. We are looking for career minded professionals who want to be a part of our management team. Please respond to Lori@frickecpa.com or call 770-216-2226.

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INTERESTED IN THE MERGER OR ACQUISITION OF YOUR CPA PRACTICE? Atlanta CPA firm with three metro Atlanta offices is seeking growth through the merger or acquisition of accounting/audit/tax practices. We have successfully acquired numerous CPA practices over the prior 15 years including two in 2020. Owners of the acquired firm may choose to continue working both during and after the transition period. We serve the entire metro area and are interested in firms throughout. We are also interested in acquiring practice segments such as tax, bookkeeping, or audit clients. Please respond to GSCPA File Box 456.

PRACTICES FOR SALE

Executive office in CPA firm in Dunwoody at 1637 Mt. Vernon Road, adjacent to Dunwoody Village. Fully furnished office with the use of the conference room. Internet and free parking included. \$625/month. Contact Stanley Dean at 770-392-1113 or sdean@sdacpa.com

One-man CPA firm for sale: Owner ready to sell or merge, and retire. Absolutely, rock-solid base of 150K book of business to be had, and possibly could be 200K or more, depending on the CPA(s) taking over and the decisions of two or three bigger clients. Practice located in a great location in a desirable city in Gwinnett County, in the I85 corridor, 15 years in the same location, and 30+ years in Gwinnett County. Owner cares about clients and wants new firm to be successful, and is therefore flexible and willing to help in the transition and do whatever it takes to make the deal work for all parties. Please Respond to GSCPA File Box 284.

MAIL FILE BOX RESPONSES TO:

GSCPA File Box \_\_\_\_  
6 Concourse Parkway, Suite 800  
Atlanta, GA 30328

CONTACT US:

To place a classified ad, please contact Emily Smith at [esmith@gscpa.org](mailto:esmith@gscpa.org)



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- GA3007 Intown Atlanta-\$900.00 Reputable Atlanta Advisory Firm Available, fees are very good!
- GA3009 East of South-side Atlanta-\$895,000 Well-established CPA Tax & Accounting Firm for sale.
- GA3011 Augusta, GA- \$ TBD Steadily growing CPA firm with high cash-flow to owner for sale. Over 50% cash flow to owner!



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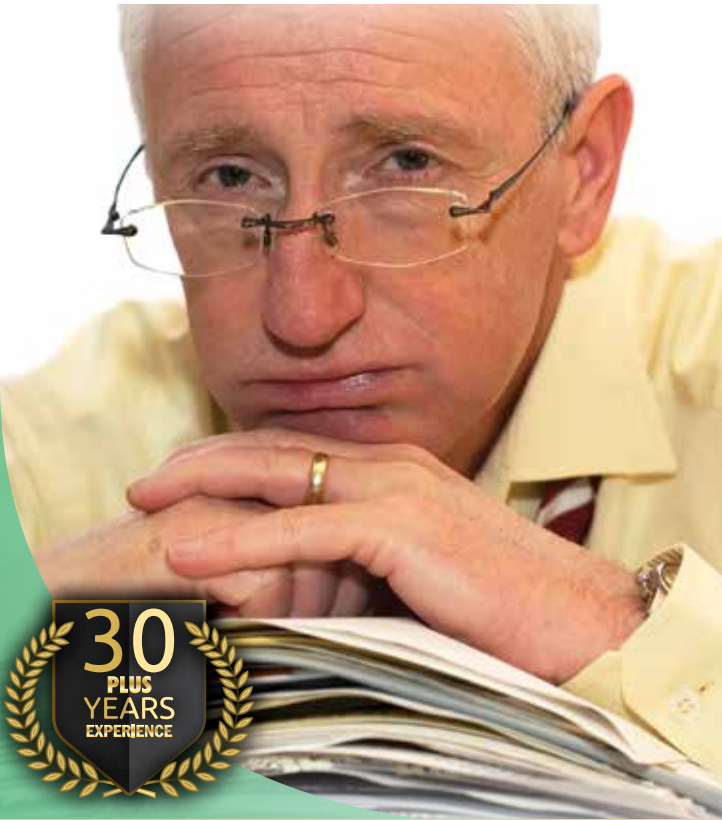


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# Current Accounts Self Study Test

Earn two hours of CPE by taking the self-study test provided in each issue of *Current Accounts*. Answer the 10 questions based on content in *Current Accounts* and submit your answers to GSCPA. Receive a grade of 70% or better and earn two hours of CPE credit. All *Current Accounts* self-study tests are available for two years from the issue date.

## ONLINE INSTRUCTIONS

- 1. Go to [caselfstudy.gscpa.org](https://caselfstudy.gscpa.org).
- 2. Click on “Register Here” for the appropriate issue.
- 3. After registering, you will receive an email confirmation with a link to the self-study test. Look for “CURRENT ACCOUNTS SELF-STUDY TEST” in the body of the email.
- 4. Complete the test and click “Submit” when you are finished.
- 5. Print the confirmation page for your records.

## PRINT INSTRUCTIONS

- 1. Detach this page from Current Accounts.
- 2. Take the test, recording your answers on the answer sheet by filling in the appropriate circle.
- 3. Complete the registration and payment information. Payment must be submitted with the test. Print clearly.
- 4. Email this page to the CPE Department at [cpe@gscpa.org](mailto:cpe@gscpa.org) or mail this page along with your payment to:  
The Georgia Society of CPAs  
Current Accounts Self-Study Test  
Six Concourse Parkway, Suite 800  
Atlanta, GA 30328

## PRICING

	Online	Print
Members	\$25	\$30
Nonmembers	\$50	\$60

## TEST RESULTS

Upon completion of the test, your answers will be graded and within two business days you will either receive an Event Acknowledgement stating you passed the test along with certificate of attendance or an email stating you did not pass along with a link to retake the test.

## QUESTIONS

If you have any questions about this test, please contact the CPE Department at 404-504-2985.

## ATTRIBUTION

The self study test is developed and written by Lowell Mooney, CPA, Ph.D, professor of accounting at Georgia Southern University.

## REGISTRATION INFORMATION

Full Name	Member #		
Company/Firm Name			
Address			
City	State	Zip	
Phone	Email		

## PAYMENT INFORMATION

- ☐ Check for \$\_\_\_\_\_ made payable to The Georgia Society of CPAs  
☐ Amount to charge to credit card \$\_\_\_\_\_ ☐ Discover ☐ MC ☐ AmEx ☐ Visa  
☐ Personal OR ☐ Company Card

Card Number	Exp. Date
Name as it appears on card	
Signature	

May/June 2022 | Test No. CA220506

## SUPPLY CHAIN CHALLENGES: HOW GSCPA MEMBERS ARE MANAGING THE THROUGH DISRUPTION

1. Which of the following is NOT an effort by the Georgia Ports Authority (GPA) to handle its growth?
- A. Paying workers weekly instead of bi-weekly and providing them catered lunches.
  - B. Activating six pop-up container yards near manufacturing and distribution centers.
  - C. Increasing the port’s total berth capacity by 25 percent so ships won’t have to wait.
  - D. All these actions were taken by the GPA.

## 2. Mellow Mushroom is dealing with supply chain challenges by

- A. Building partnerships with key suppliers.
- B. Finding multiple uses for available ingredients.
- C. Reducing the number of items on the menu.
- D. All of these

## WHAT YOU MISSED DURING BUSY SEASON

3. Tax expert Art Auerbach recommended all the following EXCEPT:
- A. Watch Tax Bites and Art and Anson Talk Taxes.
  - B. Set up an online Tax Pro account with the IRS.
  - C. Ignore all IRS issued notices or tax bills.
  - D. Have the proper documentation!

## QUALITY MANAGEMENT: WHERE ARE WE NOW?

4. The ASB received an overwhelming response to its exposure draft on quality management. Which of the following was NOT a specific focus of the comments?
- A. The proposed prohibition on self-inspection.
  - B. The creation of a QM Implementation Task Force.
  - C. The requirement that engagement quality reviewers rotate when AICPA professional standards do not require partner rotation.
  - D. A concern that the new standard will create undue costs and may require firms to hire a peer reviewer every year.

5. If the standard is adopted as proposed, the two-year "cooling off" period for engagement quality reviewers
- A. Would require individuals performing self-inspections to wait two years before their next inspection.
  - B. Would apply to individuals who previously served as the engagement partner.
  - C. Would not apply to the quality reviewers of audits of non-issuers in the U.S.
  - D. None of the above.

## LEADING UP: FIVE WAYS TO BUILD THIS ESSENTIAL SUPERPOWER

6. Leading up
- A. Is not the same as kissing up.
  - B. Often requires courage and determination.
  - C. May require you to challenge your superiors.
  - D. All of these
7. After reminding your boss of the negative impact of missing an important deadline, she responded, “Well, you’re a fine one to talk.” Your boss may be subtly telling you to
- A. Advance her agenda.
  - B. Adapt your communication style to her preferences.
  - C. Master your own craft.
  - D. Build trust.

## ANSWERS TO 20 COMMON QUESTIONS ON THE NIST CYBERSECURITY FRAMEWORK

8. Select the INCORRECT statement about the NIST Cybersecurity Framework.
- A. The framework was written specifically for the IT department so using it for the entire organization is not recommended.
  - B. The time to implement the framework will vary among organizations, ranging from as short as a few weeks to several years.
  - C. Individual organizations will need to customize the framework to best suit their risks, situations, and needs.
  - D. The framework can help an organization better understand, manage, and reduce its cybersecurity risks.

## BUYING/SELLING A CPA FIRM OR SMALL BUSINESS

9. Which of the following pieces of advice was not given to those interested in selling their firm?
- A. It’s never too early to start planning for your succession.
  - B. It’s always best to sell to someone within your firm.
  - C. Begin by taking your emotions out of the picture.
  - D. Engage an M&M attorney to assist you with the sale.

## 2022 LEGISLATIVE SESSION WRAP-UP: WHAT YOU NEED TO KNOW

10. Which House Bill calls for reducing the top income tax rate to 5.25% and increasing the standard deduction to match the federal amount?
- A. HB 1058
  - B. HB 1437
  - C. HB 1064
  - D. HB 1034



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If You Need Help understanding the wide variety of sources from which you can purchase health insurance, please contact Patrick Bell at pbell@sspins.com or 404.949.1098.

Please visit the Voluntary Benefits Offering website at [swett.com/GSCPA](http://swett.com/GSCPA)



# Benefits of GSCPA Legislative Advocacy

by **NICK RIDER, CPA**

*Please Note: The views and interpretations reflected below are those of the author and do not necessarily reflect an expression of opinion on the part of The Georgia Society of CPAs.*

Since I've joined GSCPA, I've had various levels of involvement. Admittedly the level of involvement, until recently, was primarily reading Current Accounts and enjoying the many CPE benefits afforded GSCPA members. Over the last few years, I've gotten more involved in the legislative advocacy side of the Society and have seen exponentially more significant benefits from that involvement. I have seen benefits through personal and professional development, and benefits in client service, and state and professional stewardship.

When Don Cook first asked me to join the GSCPA State Tax Task Force and get more involved in the legislative affairs committee, I worked my way through a cynical view of our political climate. Every time I turned on the news or read an article about an upcoming tax law change, it seemed all I would see or hear was infighting or finger-pointing that, at best, skewed the public's understanding of the updated tax law. And at worst, painted a false narrative of those supporting a bill and who would benefit most from a particular tax change. I saw the invitation as a way to get more involved and help "be the change I wanted to see."

While I may have had a cynical view of the process, I've always been interested in it and how we see changes to the tax laws that we use every day. It harkens back to memories of Saturday morning cartoons and that little "I'm Just a Bill" jingle from Schoolhouse Rock. The nostalgia really helps to balance out any current-day cynicism I may be feeling. Legislative advocacy at GSPCA has had many benefits for me personally and professionally. One of those benefits is watching a bill in its infancy work through the entire process. I've gained a greater appreciation for our legislators who work diligently to get these changes done and the people behind the scenes running numbers and testing the efficacy of a bill before it's ever introduced. One of the most beneficial and personally gratifying things has been seeing a bill at its earliest stages and being able to offer comments and suggestions as it moves through the process,

only to see some of those changes in the final product. Even if my suggestions are ultimately passed on, even having the opportunity to help has been rewarding.

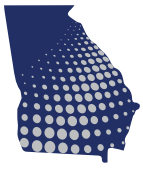
Another benefit that I've noticed since helping with our legislative advocacy in the state is a greater ability to serve my clients. It gives me a better sense of bills that will and will not pass, allowing me to have deeper conversations about possible changes with my clients. While I still don't have a crystal ball or any real influence on what is ultimately passed, it lets me know what's on the table and discuss the potential outcomes with a client who may be affected. The client better understands our tax system, and I gain significantly more credibility and longevity with that client. One of the easiest ways to strengthen a CPAs relationship with their client is to provide an outlook on various outcomes before a decision ever has to be made. As a practical matter, getting more involved with our legislative advocacy has made me more proficient at reading and understanding tax law. Not only understanding what is written but also gaining a much better understanding of the law's intent.

Finally, I think the most important benefit I've seen from getting involved in the GSCPA's legislative advocacy are the relationships built. The relationships that the GSCPA has been able to develop and maintain with the Department of Revenue are critical in our continued success as a profession. With the development of these communication channels, we are able, as a group, to meet with the Department of Revenue and discuss real needs, real concerns and real issues directly with the state. Not only are we able to bring these issues directly to the state, but we can have an open dialogue with the state that is both welcomed and reciprocated. I have personally had several very specific issues with credits, tax adjustments, etc., that were only able to get corrected due to the relationships built through the Society's legislative advocacy program. I believe this is where our responsibility as good stewards of the profession comes into play. Through the GSCPA legislative advocacy program, we have the ability to bring real-world concerns both from other CPAs and Georgia taxpayers to our Department of Revenue and our government and bring about real change. Only through this open line of communication will we be able to continue to help our state CPAs and taxpayers. Georgia CPAs' voices are heard; we just need more to speak up.



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## The Georgia Society of CPAs

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