

# Current Accounts

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## **GSCPA: A LOOK INTO YOUR ASSOCIATION**



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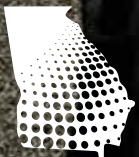


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MAY/JUNE 2023 *Volume XIII, Issue 3*

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## Current Accounts

### GSCPA OFFICERS 2022-2023

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## The Pace of Change is Infinite

In the spirit of growth and development, I am excited to share with you some significant changes in our association's leadership. As we bid farewell to our outstanding Chair of the Board, Debbie Thaw, we also welcome Carlton Hodges as our new chair. Both Debbie and Carlton have been instrumental in guiding our association through times of transition, and their unwavering commitment has been nothing short of inspiring.

First and foremost, I would like to extend my deepest gratitude to Debbie Thaw for her exemplary service as the Chair of the Board. Over the years, Debbie has been a driving force behind our association's many accomplishments. Her strategic vision, dedication, and passion have contributed significantly to the growth and development of GSCPA.

Under her leadership, we have witnessed numerous milestones, including the implementation of innovative programs and initiatives aimed at empowering our members and strengthening our profession. Debbie's tireless efforts to promote diversity, equity, and inclusion have also positioned GSCPA as a trailblazer in our field, inspiring positive change throughout the accounting profession.

As we move forward, we are fortunate to have Carlton Hodges taking the helm as our new chair of the Board. Carlton has a wealth of experience in the accounting field and has been an active member of GSCPA for many years. He is well-equipped to steer our association toward continued growth and success. Carlton's impressive track record, combined with his collaborative leadership style and strong commitment to our members, makes him the ideal person to lead GSCPA into the future.

As we embark on this new chapter, I would like to take a moment to highlight the importance of being a member of GSCPA. Our association is more than just a collection of professionals; it is a close-

knit community that thrives on the shared values, expertise, and camaraderie of our members. By coming together, we can elevate the accounting profession and create lasting impact in our communities.

*...(Que the sound of a record player scratching and screeching as it comes to a halt)...*

Why did this column come to an abrupt stop? While the sentiments are entirely true and heartfelt, both Debbie and Carlton are proven leaders and dedicated members of the profession. I didn't write any of it; ChatGPT did. Released by OpenAI last November, "ChatGPT is a natural language processing tool driven by AI technology that allows you to have human-like conversations and much more with the chatbot. The language model can answer questions and assist you with tasks like composing emails, essays, and code." (Sabrina Ortiz. "What is ChatGPT and why does it matter? Here's what you need to know." ZDNet. April 7, 2013.)

With the ability to provide work products across diverse needs, from helping write columns and resumes, building Excel spreadsheets and even writing code and creating apps, these forms of artificial intelligence present enormous positive and negative implications. There are firms that are already incorporating their use into marketing and other endeavors. Things happen fast.

The pace of change is infinite at this point, which requires leadership to continuously think and behave differently; Debbie Thaw has more than measured up, and Carlton Hodges is more than ready.

#### BOYD SEARCH, CAE

*Editor's Note: The ChatGPT content was not edited for grammar; it has been left in its natural state to illustrate its capacity level.*

## ESTATE PLANNING CONFERENCE

July 24-26, 2023

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**Event Code: 13000**

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Led by national experts and discussed at the local level, attendees will receive an in-depth understanding of issues and trends, including the outlook for the future, current events, trusts, family meetings, charitable giving and tax issues.

Register at [www.gscpa.org](http://www.gscpa.org)

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Department of the Treasury Internal Revenue Service (99) For calendar year 2022, or other tax year beginning 2022, and ending 2022

**Part I** 1 Your name *Jess* Address *26742 Mission* City, town, or village State *CA* ZIP code *92692*

**Part II Individual Income Tax** 4 Estimate of total tax liability for 2022 \$ 5 Total 2022 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.

For Privacy Act Notice, see page 4. Cat. No. 13141W Form 4868 **Scan Here**

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# A Reflection of the Year

*"Time flies over us but leaves its shadow behind."*  
- Nathaniel Hawthorne

The end of GSCPA's fiscal year is upon us, and with it, the conclusion of the current term of the Board of Directors. As I reflect on the past year, these words of Nathaniel Hawthorne ring true. The year has passed quickly, and even though it is over, the things we did are not forgotten.

I am incredibly proud of what we have achieved together during my tenure as chair. During the past year, we have faced numerous challenges and experienced professional and personal growth. Our team has shown incredible resilience, adaptability, and commitment to our shared goals and profession. We have worked hard. We have made new friends and reconnected with old friends. I am honored to have been a part of such a talented group of individuals.

As I reflect on the year, a few key things stand out:

Our students are our future. We need to attract the best and brightest to populate the CPA pipeline. This need is not new, nor is it unique to our profession. I spoke to accounting students at local colleges, answering their hard questions about why they should continue to pursue a career in accounting and become a CPA. We talked about the 150-hour requirement, the new licensure model and starting salaries. I told our stories, the ones that take a CPA out of the office and into the world. We talked about travel opportunities, helping families save businesses and the abundance of job opportunities available to them. The goal was

to show them that the world is their oyster with this profession and that becoming a CPA is a fulfilling and exciting career choice.

Our advocacy initiatives are alive and well on both the state and national levels. GSCPA staff and members serve as valuable resources to ensure our legislators have a firm understanding of the scope of the bills being presented and their impact on you, your clients, and the profession. AICPA and NASBA hear our voices and respect our opinion. Our staff, Tax Task Force, and other members have worked diligently with the Georgia Department of Revenue on issues surrounding the implementation and reporting of PTET and various other issues. We are not silent. GSCPA is influencing those who regulate our lives and our profession.

Our most valuable resource is our members. Visiting GSCPA chapters and meeting members across the state was a highlight of the year. We had serious conversations about maintaining the relevance and integrity of our profession, regulatory issues, and staffing concerns. I heard your voices and your concerns.

As the shadows grow longer over the past year, I am honored and humbled to have served as your chair. I am grateful for the hard work and dedication of the Board of Directors, Council, numerous volunteers, our members, and GSCPA staff. I would like to express my deepest gratitude to all of you for your unwavering commitment to our organization. As I look forward to the coming year, I am confident that GSCPA is in good hands. Our voices will be heard, our stories will be told, and our profession will be well represented.

*Debbie*

**DEBBIE THAW, CPA, CGMA**

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## GSCPA: A Look Into Your Association

The past three years have changed how business is conducted. Virtual settings have become a more regular practice. Employees are not commuting to an office as often. Even how children attend school and turn in assignments has been modified. The CPA profession is also no stranger to changes.

Pipeline issues are immediate and affecting all of us, putting the profession's future into question. CPA Evolution demonstrates the variety of ways that accounting has changed. There are so many paths to choose from when embarking on a career in accounting. The CPE market has transformed – many classes are held virtually, and many more providers have entered the environment. The regulatory side of continuing education has also evolved, affecting what will and will not be required for licensing.

GSCPA continually monitors these changes and adjusts our strategic approach to remain a full-service resource to protect the profession and our members.

It seems that every time we turn around, something changes. What hasn't changed is our commitment to you, our valued members. GSCPA strives to keep a step ahead of the evolving world to provide you with the tools you need to be successful.

As a CPA in Georgia, you tremendously impact our great state through your work with businesses and individuals. No matter what area of the profession you've chosen, The Georgia Society has resources to assist you. Whether it's up-to-date information and analysis, continuing education provided by the profession's leaders, or serving as your voice before legislative and

regulatory bodies, GSCPA is prepared to advance the profession and your career.

### UNDERSTANDING MEMBERS' NEEDS

GSCPA programs are and will continue to be designed to meet the members' needs. But for that to happen, GSCPA must have a clear picture of the varied interests and challenges of our almost 12,000 members. Member input through such activities as volunteer engagement, focus groups and surveys all play a part in helping to develop an accurate understanding of member needs.

### RECRUITMENT

Recruitment impacts us on two fronts: growth in GSCPA membership and professional development. Attention to membership growth is vital to our association's long-term health. But equally

as significant is the profession's progress by attracting the best and brightest leaders of tomorrow. GSCPA and its Educational Foundation work to see that both remain successful priorities.

### TECHNOLOGY-ORIENTED

As technology advances, so will GSCPA. The Society will continue to invest in technology that gives us actionable intelligence and allows members to access the many services and benefits offered through various platforms; GSCPA will continue the push to make membership benefits and resources available at your fingertips.

### INCREASE IN LEGISLATIVE AND REGULATORY PRESENCE

As CPAs, your voice has a unique perspective, and GSCPA strives to give power and influence to that voice. We want GSCPA to be the premier professional proponent and advocate within the regulatory and legislative community. With events like CPA Day at the Gold Dome and our Key Person program, we're making substantial progress in increasing the voice of Georgia's CPAs.

### OPPORTUNITIES FOR MEMBER ENGAGEMENT

Associations are about the power of members. Through an active and engaged member base, GSCPA can deliver upon the totality of this strategic plan. The power of the collective in advocating for, protecting and advancing the profession can be seen through our member leaders.

### PURSUIT OF EXCELLENCE

GSCPA strives to be an organization of excellence recognized by the profession, the public and policymakers. As the premier professional organization for CPAs in Georgia, we continually endeavor to be the primary resource for pursuing excellence in the profession, continuing education, news and information, and protecting the profession's and the public's interests.

## *your continuing education*

Consistently named one of the top membership benefits, GSCPA's continuing education is thoughtfully curated to help you prepare for the future, deepen your expertise, and improve and maintain professional excellence. The Georgia Society of CPAs recognizes that continuing education is crucial to advance you as an accounting professional.

GSCPA understands that your time is valuable. With so many ways to learn with us, GSCPA education means learning online or in person, at your own pace and on your own time. GSCPA provides a complete catalog of events to help you squeeze the most knowledge out of your CPE hours while fulfilling the requirements to keep your CPA license up-to-date.

"The whole experience of attending GSCPA conferences both online and in person, including relevant information from instructors and real-world advice from my fellow attendees, has been some of my career's most beneficial professional development events. Plus, GSCPA adds yearly education events to keep up with the important topics I need."  
Robert Fields, CPA, a 14-year member

Visit [www.gscpa.org](http://www.gscpa.org) today to check out GSCPA's online event catalog. This customized catalog gives you access to GSCPA's extensive education options. Browse and modify your selections to find speakers, topics and platforms that best fit your needs.

## *your news*

The Georgia Society of CPAs understands that staying on top of your professional news can feel overwhelming, and we are committed to helping you stay ahead of the curve. From tailored e-newsletters to videos highlighting hot topics, GSCPA brings you the latest news, insider perspectives and in-depth analysis. From *Current Accounts* and *The Voice* to [gscpa.org](http://gscpa.org), Interest Communities and GSCPA's

YouTube Channel with late-breaking informational videos, GSCPA is the official source of professional information for Georgia's CPAs.

"After learning that I could earn two hours of CPE just for reading *Current Accounts*, I decided to invest time in the CPE gain. I quickly learned that while gaining two hours of CPE, I was also exposed to relevant information and applicable stories, and it was a win overall. It is now a preferred news resource for me."  
Sam Latimer, CPA, a 12-year member

GSCPA Interest Communities provide members with tailored web pages, private LinkedIn groups and dedicated emails to advance the specific areas of knowledge that interest you. This online tool brings you relevant information and unique resources. Join as many as you like; the best part is that they are free!

## *your profession. your voice.*

The Georgia Society of CPAs is committed to safeguarding the highly regarded CPA credential and placing the interests of the profession front and center at the statehouse and within Congress. GSCPA magnifies the collective voice of almost 12,000 members throughout the state and emphasizes the critical role of CPAs and the accounting profession.

From providing qualified CPA members to assist local elected officials with input and advice to guarding the CPA credential as advocates of self-regulation and professional standards programs, GSCPA works to acknowledge the CPA profession as a pinnacle of the business community.

"As CPAs and accounting professionals, we are uniquely skilled, and The Georgia Society works to ensure standards and excellence in our profession. As a member for over 40 years, I have seen the rich history of safeguarding our accounting profession. The Georgia Society is truly a part of our profession's past, present and future success."  
Phil Alday, CPA, a 44-year member

*GSCPA continued on page 10*



**THE EDUCATIONAL FOUNDATION**  
of The Georgia Society of CPAs

Thanks to your generous contributions, scholarships ranging from \$1,000-\$5,000, for a total of \$127,000, were awarded to over 60 accounting students from 15 different universities and colleges.

The Foundation awarded an additional \$17,500 in scholarships through the Chapter Matching Funds Program, and GSCPA chapters granted Georgia universities and colleges \$2,500 in institutional support for a grand total of \$147,000.

**GEORGIA ACCOUNTING FOOD FIGHT**

Since its inception in 2014, the Georgia Accounting Food Fight has collectively raised \$1,812,001.79 – the equivalent of 7,248,007.

The ninth annual Georgia Accounting Food Fight in 2022 raised \$372,907.79 – the equivalent of 1,491,631 meals.



In 2022, over \$8,000 in scholarships was awarded to Georgia students through the generous contributions of our members and firm sponsors.



As GSCPA members, you see the value and impact you can make by contacting your elected officials.

Visit [www.gscpa.org](http://www.gscpa.org) and review the legislative resources in the Advocacy tab. You can stay informed on current legislation status, attend CPA Day at the Gold Dome in January and influence the future by becoming a key person.

**THE EDUCATIONAL FOUNDATION**

The Educational Foundation continues to encourage the best and the brightest individuals in Georgia to become certified public accountants. The Foundation accomplishes this mission through the sponsorship of programs and scholarships. It can only do so through the generous support of GSCPA members.

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. Student scholarship recipients are selected based on their commitment to pursuing a career in accounting, academic performance and leadership skills.

*vision*

Our vision is to enhance the accounting profession.

*mission*

Our mission is to achieve excellence in the practice of accounting in all forms.

*core purpose*

We achieve excellence by providing superior advocacy, leadership, service, lifelong learning and personal and professional development opportunities.

*your connection*

The Georgia Society of CPAs positions you for greater success. As the home of the CPA profession in Georgia, GSCPA expands your professional network and industry insight. 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. GSCPA provides countless opportunities to meet fellow CPAs and accounting professionals who will professionally and personally enhance your life.

"As a GSCPA member, I can share my passion and pride for my profession while taking advantage of the knowledge and benefits I receive. I value the relationships I've made, the experiences gained, and the guidance I've received from my peers as a Georgia CPA. It feels good to be a part of this dynamic group."

Karen Thurman, CPA, a 38-year member

From taking a survey to speaking at an event to writing articles and giving your time, The Georgia Society benefits from the time you take to give back to your profession, community and association. Two key examples of GSCPA members responding to the profession's needs are The Georgia Accounting Food Fight and GSCPA's Rising Professionals Program.



The Georgia Accounting Food Fight is timed each year to restock the food banks after the summer surge they experience due to the conclusion of the school year (and school lunch assistance programs). During the friendly two-week competition, accounting professionals compete to raise funds for nine food banks across the state. All funds raised by each team stay local and benefit the food bank that serves its community. Georgia's food banks have also responded to an increased need of 30 percent since pandemic relief assistance programs have ended, and inflation has continued to rise.

The Rising Professionals Program began at Smith & Howard in 2015 and was named SHARP. GSCPA started hosting this event at its offices in 2016. The program is designed to educate high school students about the benefits of a career in accounting and the day-to-day lives of CPAs. Juniors and seniors from Georgia high schools hear about accounting and business management styles and how to work together from various industry professionals. Students are awarded scholarships based on their performance at the end of the program.

**CLOSING**

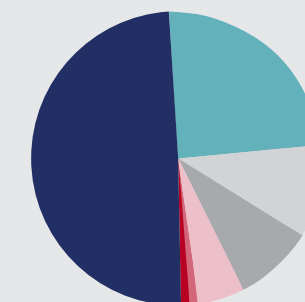
Since its inception in 1905, The Georgia Society of CPAs (GSCPA) has been committed to promoting the importance of the CPA credential and helping members meet the challenges created by the ever-shifting landscape. GSCPA is privileged to serve as your partner in creating value for you, and your membership is a critical part of a successful career in the accounting profession.

The Georgia Society of CPAs will remain true to its vision, mission and core purpose, continuing to enhance the CPA profession in Georgia. Above all, GSCPA will remain the focal point for CPAs throughout Georgia by providing superior advocacy, leadership, service, lifelong learning and personal and professional development opportunities.

For more information on the many advantages of your membership in The Georgia Society of CPAs, visit the Membership tab of GSCPA's website, [www.gscpa.org](http://www.gscpa.org), or call the Member Services Department at 800-330-8889, extension 2986.

*gscpa member profile*

**AS OF MARCH 2023**



**PRACTICE AREA**

Public Accounting	46%
Industry	19%
Lifetime Members	13%
Other	12%
Students	8%
Government	1%
Education	0.7%



Male	56%
Female	44%

**AVERAGE AGE**



# What You May Have Missed During Busy Season

by **ART AUERBACH, CPA, CGMA**

During this busy season, the Internal Revenue Service (IRS), the Georgia legislature, and the Department of Revenue (DOR) also added to the knowledge base for tax preparation and tax planning. This article will outline some of those items that could affect extended returns and tax planning for the remainder of this year.

## GEORGIA

The legislature extended the conformity date with the Internal Revenue Code to January 1, 2023, with no exceptions for those items included in the Inflation Reduction Act, signed in August of 2023, and the Budget Bill, signed in December 2023, which included Secure Act 2.0. This was emergency legislation and thus became effective upon signature by the Governor.

They also passed an amendment to the PTET/SALT workaround, making it easier for more entities to take advantage of the Georgia statute. This, however, will be effective July 1, 2023. In this area, the DOR issued explanatory provisions for this measure.

This bill, HB 412, would repeal a limitation on the types of partnerships that may elect to pay income taxes at the entity level; provide for related matters; provide an effective date and applicability; repeal conflicting laws; and for other purposes.

- Changes the definition of eligible partnerships for PTE election
- Allows for an annual election; once made, it is irrevocable for that tax year. Each tax year, a new election is allowed.
- Same as HB149, partnership income is taxed at the entity level.
- No change in this law for S corps, the ability for S Corps to make the election remains the same as under HB149.
- The entity pays tax on income at the entity level at a rate of 5.75 percent. Partners do not recognize income on their return which was taxed at the entity level.
- Allows all partnerships to make the election. The old bill disallows the election for partnerships with owners who would not qualify as S Corp owners (partnerships, C Corp, LLCs, etc.)

There was also a clarification of HB 149 regarding the deductibility of Georgia taxes when making the PTE election which the DOR issued. Generally, Georgia taxes are not deductible when computing taxes in Georgia. Check the DOR site for examples of the adjustments necessary on tax forms. [https://bit.ly/PTE\\_Example](https://bit.ly/PTE_Example).

DOR has issued new rules regarding Table of Conservation Use Land Values affecting Rule 560-11-6-.09.

## FEDERAL

This is only an outline, given the space limitations.

1. IRS IR-2022-162 regarding improperly forgiven PPP loans. Bear in mind that the SBA was given, by Congress, 10 years to examine PPP loans for compliance with the statute. The IRS was given five years. The information release discusses the taxability of the amount of the PPP loan that was determined to be improperly forgiven.
 

This also led to the discussion on the PTET/SALT limit, the taxation of any refunds made by the states, and the taxability of those refunds. More to come on this subject in the next few months. This involves the application of the tax benefit rule. Whether by using the SALT/PTET workaround, the taxpayer received a tax benefit and, therefore, whether the refund, if any, would create taxable income.
2. Many states and the IRS are considering the GIG economy treatment of some workers as independent contractors rather than employees. Two recent New Jersey cases brought this to everyone's attention. In both situations, the employer lost. This is a very complex issue as it involves different tests depending on which portion of the Code you are looking at:
  - a. Social security and Medicare withholding.
  - b. Withholding of income taxes.
  - c. Unemployment taxes.
  - d. Wage and hour laws.
  - e. Several Department of Labor provisions regarding fringe benefits and retirement plans.

It would behoove most practitioners to review the rules with their clients regarding the degree of worker independence and employer control of the worker. IRS Tax Tip 2022-117 is a great place to start.
3. Section 174 of the Internal Revenue Code is the subject of potential Congressional action in the current Congress. Remember, research and experimental expenses are the subjects of changes in accounting methods since they now must be amortized rather than deducted. This occurred because there has not been an extenders bill from Congress for at least three years. Those incurring these expenses should consult IRS.gov for IR 2022-235 and the related Rec. Proc. 2023-11.
4. Regarding extenders, check [irs.gov](https://www.irs.gov) for Joint Committee publication JCX-1-22 which details the provisions of the Internal Revenue Code that have expired or are due to expire between 2021 and 2031.

5. See IRS Announcement 2023-1 regarding Section 179D, which provides a reference standard required to be used when determining the amount of the energy-efficient commercial building property deduction.
6. Many will be getting questions regarding the new home improvement and clean energy property credit enacted last August. See the FAQs FS-2022-40 for more information on pending regulations.
7. The scams regarding Employee Retention Credit are out in force. When a client approaches and says they have been informed they are missing millions in refunds, refer to the AICPA for the "Employee Retention Credit: Fact or Fiction?" This is a terrific resource to explain to clients how most of these are scams. For those who prepare financial statements and tax returns, check the Center for Plain English Accounting regarding noncompliance with the ERC statute.
8. Digital assets and the question on Form 1040 are a concern for practitioners. Guidance was issued regarding broker reporting and the delay in providing statements to investors. IR 2022-227 should be read. Remember that cryptocurrency losses are not subject to the capital loss limitation rules since the IRS rules that they are property, not security, regarding crypto assets used for charitable contributions. Chief Counsel Memorandum 202302012 required charitable organizations to obtain appraisals for contributions received when determining the contribution amount. This affects individuals who have used crypto assets to make contributions in excess of \$250.
9. Disaster losses and the additional time to file and pay taxes. There is a technical issue here involving the Code. When there is a declared disaster, and the IRS grants additional time, this is a postponement, NOT an extension. Thus, this would affect the statute of limitations and certain elections for taxpayers, including the ability to deduct the loss in the immediate prior year. See IRS TD 9950 for a more detailed discussion.
10. Real estate developers concerned about implementing the new rules and conditions regarding when common improvement costs would be affected by the statutory change enacted in August of 2022 should check Rev. Proc. 2023-09. This would affect the addition to the basis of certain common costs incurred and whether they may be currently deductible or must be added to the basis.
11. Just a quick reminder that the use of electronic signatures for federal tax purposes will expire in October 2023. Please watch further developments in this area.
12. Remember, the rules regarding purchasing alternative fuel vehicles changed on January 1, 2023, and will change again on January 1, 2024. Check with clients who are making these purchases.
13. For those practitioners or businesses that are required filed information returns, check IRS Publication 5717, IRIS, Information Returns Intake System. The required electronic filing of many forms begins this year, to be filed in January 2025.
14. Secure Act 2.0, included in the Consolidated Appropriations Act signed in late December, contained many provisions involving financial and retirement planning for clients. These provisions include: the required minimum distribution (RMD) age has been raised for this year for those who attain age 73, the penalty for a missed RMD has been reduced, and the Roth employee match is available for certain retirement plans. There is the possible use of gift cards to encourage plan participation, any overpayments of contributions are not required to be withdrawn, penalty-free withdrawals when a participant has a terminable illness, reduced service is required of participants (watch part-time employees), and hardship withdrawals are now self-determined. More provisions become effective on January 1, 2024. You can expect to get questions concerning credits for plan start-up costs, automatic enrollment into 401(k) and 403(b) plans, and more opportunities for those over 50 and older to increase contributions.
15. Treasury has issued final regulations on e-file for businesses. TD 9972 affects partnership returns, corporate income tax returns, unrelated business income tax returns, withholding tax returns and certain information returns. This affects the filing requirement reducing the 250-return threshold to 10 and increasing those returns which must be electronically filed. IR-2023-31.
16. Form-1099-K, which updated the FAQs, was issued recently in March of 2023, which changed answers to several previous FAQs.
17. For those practitioners claiming the Section 199A deduction, check the AICPA site for the 2023 Sec. 199A Flowchart.
18. A reminder on the new "Standards on Tax Services" – the comment period has ended, and new standards will become effective at the end of this year. Further, IESBA, the International Ethics Standards Board, has issued new rules regarding tax preparation and tax advice for those dabbling in international areas with foreign transactions.
19. Since we are now approaching more IRS examinations, it is a good time to review the preparation of Form 2848, Power of Attorney (IRS Tax Tip 2023-26). This can now be done electronically and changed electronically. Further, please remember what to include on the power. I will address this in a Tax Bites session later this year.
20. IRS IR 2023-29, taxpayers can now upload more documents to the IRS; a new online notice option can help resolve issues faster.

This summarizes items that could have been overlooked during the preparation season. See you all on Tax Bites beginning in May.

**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.



# FASB Issues Proposed Accounting Standards for Crypto Assets

by **DAVID SIEGEL, CPA**

*On March 23, 2023, the Financial Accounting Standards Board (FASB) issued a proposed accounting standards update (ASU) to improve the accounting for and disclosure of certain crypto assets. The proposed ASU is in response to feedback from stakeholders, which indicated that improving crypto asset accounting should be a top priority for the Board.*

## WHAT'S CHANGING FROM CURRENT STANDARDS

Under current U.S. Generally Accepted Accounting Principles (GAAP), crypto assets within the scope of the proposed ASU are accounted for as indefinite-lived intangible assets. Those assets are tested for impairment. If the carrying amount of the asset exceeds its fair value, an entity is required to recognize an impairment loss and reduce the carrying amount of the asset to its fair value. Subsequent increases in the carrying amount of the asset and reversal of an impairment loss are prohibited.

The proposed ASU would require that an entity measure certain crypto assets at fair value in the statement of financial position each reporting period and recognize changes in fair value in net income. The proposed amendments would also require an entity to provide enhanced disclosures for both annual and interim reporting periods, providing investors with relevant information to analyze and assess the exposure and risk of significant individual crypto asset holdings.

## ASU REQUIRES ENHANCED DISCLOSURES

The proposed ASU also would require that an entity present crypto assets measured at fair value separately from other intangible assets in the balance sheet and changes in the fair value measurement of crypto assets separately from changes in the carrying amounts of other intangible assets in the income statement (or statement of changes in net assets for not-for-profit organizations).

For annual and interim reporting periods, the proposed ASU would require that an entity disclose information such as the name, cost basis, fair value, and number of units for each significant crypto asset holding, and the aggregate fair values and cost bases of the crypto asset holdings that are not individually significant.

For annual reporting periods, an entity also would be required to disclose a rollforward of activity in the reporting period for crypto asset holdings, including additions, dispositions, gains, and losses. This provision of the proposed guidance, the requirement to disclose the cost basis, will require companies still maintain this data, which has been difficult and onerous for some companies.

## PROPOSED STANDARD COULD PRESENT A CHALLENGE FOR COMPANIES

Reporting crypto assets at fair value could present challenges for companies, especially those that hold a large number of different types of crypto assets.

The valuation of crypto assets can be volatile, with significant price fluctuations in a short period. Additionally, determining the fair value of illiquid or thinly traded crypto assets may require significant judgment and estimation.

Companies may need to invest in specialized software or seek external valuation expertise to comply with the proposed ASU's fair value measurement requirements. Moreover, companies will need to ensure that they have robust internal controls to validate the completeness and accuracy of the data used to determine the fair value of their crypto assets.

## 'BOOK VS. TAX' DIFFERENCE COULD ARISE FOR U.S. COMPANIES

In the U.S., the IRS treats cryptocurrencies as property for tax purposes. If the proposed ASU is adopted, companies would be required to measure and recognize changes in fair value in their financial statements, creating a book vs. tax difference, as tax will not recognize any unrealized gains or losses. Additionally, the enhanced disclosures required by the proposed ASU may provide the IRS with more information to enforce compliance with tax laws related to cryptocurrencies.

It is important for businesses to remain current on developments in both accounting standards and tax laws to ensure compliance and avoid any potential penalties.

The FASB is asking for comments by June 6, 2023; it is unlikely that this will be adopted until late 2023 or early 2024.

## THE BOTTOM LINE

In summary, the FASB's ASU on the accounting for, and disclosure of, certain crypto assets will improve financial reporting by showing the true balance sheet of companies that previously showed amounts not useful to users. However, the proposed amendments will come with challenges, including the valuation of thinly traded tokens and onerous disclosure requirements.

Despite the challenges, these proposed changes will likely provide investors with more relevant information to analyze and assess the exposure and risk of significant individual crypto asset holdings.

**DAVID SIEGEL, CPA**, is a partner, assurance services with Aprio. He works closely with CFOs and business owners of high-growth domestic and international businesses to improve financial reporting with the future in mind. He's passionate about helping innovative companies with complex business models navigate challenges and achieve business goals.



## intro to crypto

### WHAT IS CRYPTOCURRENCY?

"Crypto" is a digital currency, which is an alternative form of payment created using encryption algorithms. The use of encryption technologies means that cryptocurrencies function both as a currency and as a virtual accounting system.

### HOW DOES IT WORK?

Cryptocurrencies are supported by blockchain technology, which maintains a tamper-resistant record of transactions and keeps track of who owns what.

### HOW IS IT USED?

Individual units are called coins or tokens. Some are units of exchange for goods and services, others are stores of value, and some are used in specific software programs like games and financial products.



# Employment Law Axioms: Part 1

by **TODD STANTON**

*After two decades of representing companies in employment law issues, I've assembled a running list of (currently) 29 things true for companies and their HR practices. My "Employment Law Axioms" presentation is one of my favorites because it offers owners, managers, and HR professionals so much comfort, knowing they're not alone in their struggle to introduce common sense into the workplace. I've laid out my list of truisms below and extrapolated some of the ones I think are most important. Or entertaining. You be the judge and let me know if you disagree or have other inarguables we should consider including.*

## **AXIOM NO. 1: FIVE PERCENT OF EMPLOYEES CAUSE 95 PERCENT OF HR PROBLEMS**

Of course, these five percenters (as we'll call them) are your poor performers. They're not as good or productive at their jobs. They use more of their manager's time coaching and cleaning up their mistakes. That's bad enough. But they're also unaware of their shortcomings and grossly overestimate their abilities. Are they receptive to feedback? Nope.

They're really sensitive and take themselves very seriously. They have difficulty seeing the humor in things and love playing the victim. They look to be offended. They're not popular in the office.

It's not surprising that so many businesses focus so much attention on their five percent. At Stanton Law, though, we encourage our clients to look at it differently. Five percenters are, in our experience, intractable. They're a five percenter for you; they were for their last employer and will be for their next employer. So once you identify a five percenter in your midst, the sooner you can help them find their next opportunity with another employer, the happier everyone in your group will be. Your life will get easier, and your other employees will also be pleased because no one likes working with them. Focus more intently on your 95 percenters – the folks who show up, do what they're supposed to and go home.

## **AXIOM NO. 2: YOUR CONTRACTORS ARE EMPLOYEES**

Contractors are not the same as employees; in my experience, almost all workers companies deem as "contractors" are

misclassified employees. I'm not saying there aren't legitimate non-employee contractors; I'm just saying if you're using them to get your company's work done, you're sitting on a landmine.

It doesn't matter if you don't want to withhold payroll taxes or match social security. It doesn't matter whether the worker will take straight time or you don't want to mess with workers comp. Your industry standard is immaterial. Most workers are employees, and appropriate contractor designations are the exception.

We recommend keeping things manageable. Instead of trying to cleverly avoid employment obligations and save a buck on the front end, implement a sustainable plan to onboard workers as employees. Budget for the expense of the employee status and sleep better at night.

If you insist on using contractors, put a written contract in place. It should check the boxes of the contractor test(s). Keep an accurate record of the hours they work. Don't let contractors do the same work as employees or vice-versa. Don't let a terminated employee stay on as a contractor. Don't have contractors sign a handbook. Only enter contractor agreements with companies on their FEIN and not with individuals on their SSN. And please don't call them "1099 employees."

## **AXIOM NO. 3: WE'RE GOVERNED BY THE MOST SENSITIVE AMONG US**

It doesn't matter what you think is funny or appropriate if someone in your group disagrees. They set the rules, not you.

## **AXIOM NO. 4: UNLESS THE INSTINCT IS TO CALL AN EMPLOYMENT LAWYER, EMPLOYERS SHOULD IGNORE THEIR FIRST INSTINCT**

Employment laws do not often comport with business common sense and are not intended to make it easier to run your company. Don't try to practice employment law without an employment lawyer.

## **AXIOM NO. 5: BAD MANAGERS ARE A PREREQUISITE TO PROBLEMS**

Supervisors can be five percenters, too, and they cause even bigger headaches than rank-and-file five percenters. Police your management ranks.

## **AXIOM NO. 6: NO GOOD EMPLOYER DEED GOES UNPUNISHED**

The five percenters you try hardest to help are the ones who will really screw you.

## **AXIOM NO. 7: SURPRISED PEOPLE GET ANGRY. ANGRY PEOPLE SUE YOU**

When you surprise an employee with a termination, demotion, poor performance reviews, etc., they will get angry. And angry people file lawsuits. Lawsuits cost you a bucket of money and disrupt your operations. Not every surprise termination results in legal action, but most of our clients' demand letters arise from surprise terminations.

Providing regular and candid feedback about the employee's performance is the

best way to reduce your risk. If an employee is not meeting your expectations, they should know about it well in advance of the pink slip. Make every reasonable effort to help them improve, then provide more feedback about their improvement.

Surprising folks, by the way, isn't the only way to upset them and increase the risk of a dispute. Employers can also raise the temperature by canning folks on or before big personal days – birthdays, anniversaries and weddings. Letting someone go the Friday before a long holiday weekend is also a bad idea. In each instance, the former employee will stew and complain and be around many folks asking, "how is work going?" Many of them know a plaintiffs' lawyer with whom they should speak.

## **AXIOM NO. 8: "UNFAIR" DOES NOT MEAN "ILLEGAL," BUT IT DOES NOT MATTER TO YOUR CHECKBOOK**

In a conversation with a reputable employee-side lawyer (the kind who sue you), I asked about the most frequent complaint her office receives from prospective clients. Without equivocation, her response was "unfair treatment." That suggests that if you treat your employees in a way they perceive as unfair, even if entirely legal, you're chasing them to a lawyer.

Axiom No. 8 ties back to axioms three (we're governed by the most sensitive among us), five (bad managers are a prerequisite to problems), and seven (angry people sue you). If your actions are perceived as unfair – even legal – you'll get a good primer on what comes next with axiom 10.

## **AXIOMS NO. 9 AND 10: NO, WE CAN'T "JUST EXPLAIN," NO, IT'S NOT "FRIVOLOUS," AND YES, IT IS THAT EXPENSIVE**

I'm not saying employers never screw up. Still, in my 20 years of practicing, I've seen a lot more contrived, false and exaggerated allegations of unlawful employer conduct than I have of actual unlawful employer conduct. Employers wrongfully accused of illegal behavior typically want to prove their innocence immediately. Accordingly, a significant part of our intake conversation requires helping naïve employers understand how the legal process works. We use these Axioms to explain.

When a demand is made, or a lawsuit is filed, the matter does not go away without headaches and expenses. It's a dispute that must be resolved through the process. Proving your case and showing you didn't do anything wrong takes much effort. And, to make matters worse, even though the allegations may not have merit, it's unlikely even those incorrect allegations rise to a level considered "frivolous" under the law. In other words, even when you "win," you're unlikely to recover the fees you had to incur from the person who made you incur them. It stinks.

It also stinks that the process is so expensive. Cases vary, but it's not unusual for a single claim of illegal conduct to cost an employer into the six figures to refute. You will be spending thousands if you get a demand letter, a charge, or a lawsuit. Don't hate the player; hate the game, and focus on what's in the best long-term interest of your company. Your employment lawyer can help with that.

## **AXIOM NO. 11: NO EMPLOYER HAS EVER REGRETTED SETTLING A CLAIM**

In 20 years of practice, I have never had a client say: "Stanton, remember the EEOC charge we settled last year for \$11,000? I wish we hadn't done that. Instead, I wish we'd given the former employee the what-for. I wish I were getting ready for my deposition today, focusing my attention on someone I fired nine months ago, and I wish I were writing your firm \$10,000 checks every month as you litigate the case." No employer has ever said this.

There will be situations in which a protracted fight is warranted, and when we litigate, we'll litigate hard and well. But in my experience, there is no such thing as a happy litigant, and drawn-out court battles are rarely in the company's short- or long-term interests. The costs (money, disruption and emotional health) are too high. When you bring us a problem, please let us do everything we can to get the situation behind you as quickly as possible, even if it means you must pay the other side to go away. It's a tough pill to swallow, but it's often the right decision.

Finding a way to buy out of a case quickly keeps the situation a solvable and predictable business issue rather than creating a risky and unpredictable legal problem. Settlement is definite, subject to a cost-benefit and ROI analysis, and certain. Litigation is the opposite.

Also, consider that the time and resources you spend on your lawyers to fight the five percenters you fired are time and resources you can't spend on the 95 percenters you still employ and depend on. Focus your efforts on the folks who are making you money. You won't regret it.

## **AXIOM NO. 12: FAILURE TO FIRE CAUSES MORE PROBLEMS THAN IT SOLVES.**

Once you identify someone in your shop who needs to go, the sooner you do it, the better. Whether for a performance issue, cultural misalignment, or rules violation, the longer you let an employee hang around, the more likely you're creating issues for yourself.

In addition to it likely being suitable for the company, separating someone as soon as you know it's not going to be a long-term fit is the right thing to do by your soon-to-be-former employee. You owe it to the individual to get them to a spot where they may be better. And you can still keep the temperature low and the separation amicable (through, for example, the chance to resign and a severance package). Be friendly but be timely; this axiom does not excuse letting a bad day get the best of you and impulsively firing from the hip. It means that once you know you need to get rid of someone, initiate the process as soon as possible.

Stay tuned for the remaining axioms in the next issue of *Current Accounts*.

To hear these axioms discussed live, catch my 2023 Decision Makers Conference session through GSCPA's on-demand catalog at [www.gscpa.org](http://www.gscpa.org).

**TODD STANTON**, the founder of Stanton Law, has focused on management representation in employment matters since graduating from the University of Georgia School of Law in 2002. Starting with labor and employment boutique Fisher Phillips, he eventually moved to Powell Goldstein, where he represented some of the largest companies in the country. He's responded to a lot of demand letters and agency charges, conducted harassment investigations and slogged through plenty of costly discovery and document productions, depositions and summary judgment motions. A litigator by training, he's well-versed in the slate of employment law shorthand.

# Essential IT Documentation for Your CPA Firm

by **CRAIG RHINEHART**

This article targets CPA firms, but its content could apply to almost any business or organization.

Please allow me a moment of confession:

I struggle when working on creating and maintaining policies and other documentation. There, I've said it. I struggle with almost every aspect of the task. There is almost always something else that needs my attention, something that will be more "productive" and will likely provide the immediate gratification of completing a task. Maintaining documentation is a chore and can be slow and tedious. It's never-ending, so I don't feel the same accomplishment as when I complete a software upgrade or some other IT-related task. I don't think I'm especially good at it. I often have trouble just getting started. Where can I find a good example? What document format should I use? I wish someone would hand me a fill-in-the-blank policy for <you name it>. I haven't even started this task and am exhausted and deflated. Ugh!

Thanks for indulging my confession. I feel better now. Maintaining documentation is part of my job, and it's a struggle for me. I suspect I am not the only one, so I'll call this "the elephant in the room" and acknowledge its presence.

The purpose of this article is not to justify or make a case for creating written policies. It's about recommended IT-related policies for your firm. With that said, though, here's a brief justification for creating written policies:

Documented policies and procedures help guide an organization's operation. Well-written policies and procedures allow outside auditors or peer reviewers to assess risk and perform compliance work. It also helps an organization stay consistent when management needs to make decisions.

When documenting formal policies, it is important to keep them as simple as possible and involve the appropriate team members in their development. It is also essential to keep the policies easily accessible and promote them throughout the organization.

In very practical terms, having documented policies can:

- Improve compliance. Pick any regulatory body (SOC, HIPAA, PCI, GLB, GDPR, etc.) and various policy documents will be on their compliance checklist. Also, some clients or potential clients will have vendor policies that hold you, as a potential vendor, to a standard - often requiring you to have specific policy documents (among other things).
- Reduce cyber-liability insurance costs or improve the availability of coverage. Insurance providers will want to know you have

specific policies in place and may want to review those policies. Without them, you may be denied coverage.

- Lead to organizational improvements. Reviewing and updating policies often triggers creative thinking and can lead to organizational improvements.
- Boost employee confidence. Having policies in place sends a clear message to the entire team that everyone is on the same page. There is no guesswork about what they're doing and how they are to do it.

A common struggle is knowing which IT-related policies should be created. There are numerous possibilities, but a few are essential to any firm's IT operation - regardless of size. Each firm's policies will look different because each firm is different. This is at least part of why finding good "fill-in-the-blank" templates for most policies is difficult or impossible. Below are those essential IT-related policies (and one technical manual) that every firm should have in place. This list could also be applied to other businesses; it isn't specific to accounting firms.

- Information Security - From NIST (the National Institute of Standards and Technology at the US Department of Commerce), an Information Security Policy is an "Aggregate of directives, regulations, rules, and practices that prescribes how an organization manages, protects, and distributes information." PurpleSec (a network security company that provides risk assessments, vulnerability management, and penetration testing services) describes it this way: "Information technology security policies are a set of written practices and procedures that all employees must follow to ensure the confidentiality, integrity, and availability of data and resources. Creating security policies is considered the most critical element of an IT security program." In more simple and practical terms, it's a policy that describes how your firm manages and protects its data. This is a good place to start if you do not have written IT-related policies.

- Incident Response - According to NIST, an Incident Response Plan is "The documentation of a predetermined set of instructions or procedures to detect, respond to, and limit consequences of a malicious cyber attack against an organization's information systems(s)." CISA (the US government's cyber defense agency) says, "an Incident Response Plan is a written document, formally approved by the senior leadership team, that helps your organization before, during, and after a confirmed or suspected security incident." All of the cyber liability insurance provider applications I have reviewed in the past year inquire about this policy. All firms should have an Incident Response plan in place.

- Business Continuity and Disaster Recovery - These policy document names are frequently used interchangeably but serve distinct purposes. According to KirkpatrickPrice, an information security auditing firm, "Disaster recovery planning is limited to IT infrastructure and resources. It concerns preparations for IT outages and downtime, temporary measures to maintain availability when infrastructure is disrupted, and how the organization plans to recover IT operations to their original state."

Business continuity planning is broader in scope than disaster recovery planning. It concerns all policies and procedures related to a company's continued operation during a disruptive event. For example, business continuity plans might include responses to supply chain disruption, pandemics, financial fraud, property theft, the outbreak of war, and so on." Each of these policies is presented separately below:

- Disaster Recovery (a.k.a. Technical recovery or IT Disaster Recovery) - According to Acronis, a leading data protection software vendor, "An IT disaster recovery plan is a written document that spells out the policies, step-by-step procedures, and responsibilities to recover an organization's IT systems and data and get IT operations back up and running when a disaster happens." Even if your firm is entirely cloud-based, steps must be taken in the event of a disaster.
- Business Continuity (BC) - According to NIST, this is "The predetermined set of instructions or procedures that describe how an organization's mission/business processes will be sustained during and after a significant disruption." A BC plan is not strictly an IT document. Firm leadership should take ownership of the development of the BC plan in coordination with IT where needed.
- System Administrator Manual - The Library of Congress states that this is "The document that contains key information and Standard Operating Procedures (SOPs) necessary to maintain the system effectively." This "nuts and bolts" manual contains sensitive information such as system design, configuration, and day-to-day operational information. Its contents include network diagrams, equipment inventory details, IT and software vendor account and contact information, important IT procedures, and administrative credentials for various systems.

The list above represents the essentials -- the policies every firm should have. There are numerous other policies that your firm may choose to have in place. Some may be separate policy documents, while others may be contained within one listed above - most likely the Information Security Policy. The list below is not an exhaustive list of all possibilities, but it does include some of the more common additional policies or content sections:

- Acceptable Use - Describes a firm's systems' acceptable (and unacceptable) use(s).
- Backup - Describes procedures, policies, and responsibilities for performing backups, including a well-defined schedule.
- Bring-Your-Own-Device - Describes when and how employees, contractors, and other authorized end users can use their own laptops, smartphones and other personal devices on the company network to access corporate data and perform their job duties.

- Clean Desk - Ensures that confidential data is not exposed to unauthorized individuals who may pass through your area.
- Document or Data Retention - Stipulates when data no longer serves its purpose and should be deleted. Data Retention Policies are critical to meeting various regulations and retention requirements. This includes retaining data and records for the specified period of time and also the prompt deletion or destruction of records once the retention time frame has expired.
- Hardware and Media Disposal - Establishes and defines standards, procedures, and restrictions for the disposition of IT equipment and media in a legal, cost-effective, and secure manner.
- Password - Describes the password rules login accounts must meet, such as length, complexity, age, and re-use limitations.
- Patch Management - Describes the parameters by which an entity operates its software patch management program.
- Remote Work - Outlines when and how employees can work from locations other than the office or on a flexible schedule.
- Social media - Part of a company's business code of conduct that tells employees how to represent themselves and, by extension, the company on social media. It includes guidelines to protect the company's security, privacy, and legal interests.
- Vendor Approval/Management - Describes how to evaluate vendors according to risk level and assess potential new vendors for adherence to appropriate cybersecurity practices.

When suggesting creating policies, it is common to hear, "Where can I get a template or an example?" Therefore any article with a list of policies would be incomplete without some attempt to provide at least a few sources for examples. There are numerous sources for policy templates on the internet. Some sites offer them at no cost, while others provide them with a fee attached. Here are a few sites that offer quality IT policy templates at no cost:

- PurpleSec ([purplesec.us](https://purplesec.us))
- The National Institute for Standards and Technology ([nist.gov](https://nist.gov))
- The SANS Institute ([sans.org](https://sans.org))
- The Center for Internet Security ([ciscsecurity.org](https://ciscsecurity.org))

A golden rule about policies is, "If it isn't written, it doesn't exist." These are wise words when it comes to your firm's IT policies.

Sources: <https://www.forbes.com>; <https://csrc.nist.gov>; <https://www.oreilly.com>; <https://sproutsocial.com>; <https://www.cisa.gov>; <https://www.acronis.com>; <https://kirkpatrickprice.com>; <https://www.loc.gov>; <https://www.vanta.com>; <https://www.ibm.com>; <https://resources.owllabs.com>; <https://www.schellman.com>

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# What is Forensic Accounting?

by IRENE BYELA, MBA

Often, when people hear that I am a forensic accountant, many assume I am involved in either fraud investigations (i.e., Ponzi schemes, conversion of assets, financial statement fraud), or I work on divorce matters searching for hidden assets. However, forensic accounting is much more than those two examples. The field of forensic accounting encompasses a variety of applications and related expertise. What is universal is the reaction I get when people learn I am a forensic accountant – it sounds exciting, and people are much more interested in learning what I do and want to hear more. A case in point is the high-profile Johnny Depp and Amber Heard defamation trial, where one of my colleagues in our Los Angeles office testified as the damage expert on behalf of Mr. Depp.

As a forensic accountant with an international financial services advisory firm, our forensic accounting practice group focuses almost exclusively on litigation support assignments primarily related to complex commercial litigation matters. The litigated dispute is typically between corporations alleging issues such as a breach of a major contract, unpaid royalty liabilities, misappropriation of intellectual property, and earn-out disputes, to name a few. Our role in these complex assignments is to assess and quantify economic damages, typically measured as lost profits, extra expenses, unjust enrichment, diminution of value, etc., depending on the facts and circumstances of the case.

If the disputed matter does not settle prior to trial, forensic accountants will testify as "expert witnesses" at the trial or arbitration venue. The U.S. legal system has two types of witnesses – a lay witness and an expert witness. An expert witness "is a person with extensive experience or knowledge in a specific field or discipline beyond that expected from a layperson. The expert witness' duty is to apply their expertise to give a professional opinion to the tribunal

or court on particular matters in dispute." Forensic accountants typically offer opinions about economic damages caused by the alleged actions of the defendant(s).

Many former colleagues are forensic accountants who work at boutique firms and focus on forensic accounting assignments related to family law matters (divorce), fraud investigations and business valuation disputes. Accordingly, even among forensic accountants, there is often an experience-centric concept of forensic accounting because their firm or service lines may be focused on a specialized area.

## FORENSIC ACCOUNTING DEFINED

The American Institute of Certified Public Accountants (AICPA) defines forensic accounting as "services [that] generally involve the application of specialized knowledge and investigative skills possessed by CPAs to collect, analyze, and evaluate evidential matter and to interpret and communicate findings in the courtroom, boardroom, or other legal or administrative venue. More simply, in the context of litigation, the term forensic means to be suitable for use in a court of law."

The AICPA's comprehensive definition fits with any specialized field of forensic accounting, including fraud investigations, commercial litigation, bankruptcy and data analytics, to name a few. The expansion of forensic accounting beyond high-profile fraud cases has contributed significantly to the growth of the forensic accounting market. The global forensic accounting market size continued to increase and was valued at \$5.13 billion in 2021. The market for forensic accountants is projected to reach \$11.68 billion by 2031, growing at a CAGR of 8.8 percent from 2022 to 2031.

The AICPA provides the following list of subtopics where forensic accounting services are commonly used:

- Bankruptcy, Insolvency and Reorganization

- Forensic Data Analysis
- Family Law
- Valuation in Litigation
- Fraud Investigation
- Economic Damage Calculations

## BANKRUPTCY, INSOLVENCY AND REORGANIZATION

In bankruptcy, forensic accountants typically are hired to investigate financial transactions leading up to the bankruptcy, such as asset transfers or preferential payments. The role of a forensic accountant is to assess whether the transfers/payments were made in the ordinary course of business or represented a preferential payment to an insider or creditor at the expense of other unsecured creditors. They also may be called upon to help liquidate assets and determine the value of claims against the debtors.

In the context of insolvency, forensic accountants generally investigate improper activities, such as asset misappropriation or fraudulent financial reporting, that may have contributed to insolvency. They also identify and trace the flow of funds to determine if there have been any improper transactions and assist in recovering assets that may have been misappropriated or taken. Forensic accountants usually work closely with bankruptcy attorneys representing unsecured creditors or the debtor.

## FORENSIC DATA ANALYSIS

Forensic data analysis is the application of data analysis techniques to analyze large volumes of data, often from multiple sources, to identify patterns, anomalies, or other indicators of investigative issues. For example, our firm was retained by counsel representing a computer manufacturer in connection with a royalty dispute where a software licensor alleged the manufacturer under-reported royalties. Our role included obtaining and analyzing five years of manufacturing and operational data to assess whether the company's ERP system accurately identified and aggregated the royalty liabilities. Our work was similar to the process of forensic data analysis, which

typically involves the following steps:

- Data collection: gathering data from financial and operating systems and other sources relevant to the investigative issue.
- Data preparation: grooming and formatting the data to ensure it is properly labeled, free of duplication and complete.
- Data analysis: applying various analytical techniques to convert the data to information about the data.
- Result interpretation: interpreting the results to draw conclusions.
- Reporting: presenting the finding clearly, and concisely, usually in the form of a report or a presentation.

Forensic accountants can also play a key role in ensuring the accuracy and reliability of the data used. They can help identify potential data quality issues, such as missing or incomplete data, and work to resolve them.

## FAMILY LAW MATTERS

Forensic accountants are often retained in family law cases involving family-owned businesses and/or ownership interests in complex financial ventures. The forensic accountant's role may include performing a business valuation of the ownership interests in businesses and assessing cash flows derived from marital property relevant to the equitable division of assets. For example, the following tasks can be performed:

- Trace and value assets that are subject to division in a divorce and provide an accurate valuation of these assets, including business, real estate, investments, and retirement accounts.
- Uncover hidden assets – in a case where one spouse may try to hide an asset or income to avoid a fair settlement.
- Analyze financial statements, tax returns, and related documents to

assess the financial situation. Forensic accountants are often instrumental in negotiating an equitable settlement that considers the needs of both parties.

## DISPUTED VALUATION IN LITIGATION

Forensic accountants often perform business valuations and solvency opinions in complex commercial litigation matters when value is disputed. Examples of valuation disputes include:

- Shareholder and partnership disputes
- Minority shareholder oppression matters
- Post-transaction disputes
- Earnout disputes
- Solvency litigation in bankruptcy
- Fraudulent conveyance litigation in bankruptcy
- Contract disputes and commercial litigation

## FRAUD INVESTIGATIONS

On April 15, 2020, the Association of Certified Fraud Examiners issued a press release estimating that a single case of occupational fraud costs the victim organization an average of more than \$1.5 million and that organizations lose five percent of their revenues each year to fraud. Financial fraud cases are typically complex by nature because perpetrators of fraud generally take steps to obscure and hide their activities. "Cooking the books" is nothing new – and some financial chefs are quite skilled and creative. Examples of corporate fraud include:

- Pyramid and Ponzi investment schemes
- Financial statement/management fraud
- Failed financial institutions
- Transaction fraud
- Fraudulent transfers
- Healthcare fraud and abuse
- Undisclosed related party transactions
- Embezzlement, kickbacks, internal theft

- Diversion of corporate opportunity
- Inventory shrinkage
- Bankruptcy frauds

## ECONOMIC DAMAGES IN COMPLEX COMMERCIAL LITIGATION

Forensic accounting is widely applied in calculating economic damages in complex commercial litigation matters. The calculation of economic damages can be complex and involves estimates of what would have happened "but-for" the alleged improper actions of the defendant(s) vs. what actually happened. The expert witness must understand the relevant facts and apply a damage methodology accepted by the courts and relevant to the facts and circumstances.

The expert witness must be able to withstand a vigorous cross-examination from the opposing counsel, who has likely retained a forensic accountant to critique and rebut the plaintiff's expert.

Regardless of the definition, forensic accounting requires a high degree of analytical and investigative skills and a deep understanding of accounting principles and practices. Forensic accounting is not solely focused on uncovering fraud or investigating financial crimes. It has a much broader application in the civil arena, which is the field that contributes to the greatest growth and demand for this unique profession.

**IRENE BYELA, MBA**, is an associate director with the Forensic Accounting practice of B. Riley Advisory, a leading provider of specialty business advisory services that works with law firms, lenders, private equity sponsors, and companies of all types on business challenges such as planning and executing a major acquisition or divestiture, pursuing a fraud investigation or corporate litigation, or managing through a business crisis or bankruptcy.



# Georgia 2023 Legislative Session Wrap Up

by **DON COOK**

Wednesday, March 29, 2023, was Sine Die and marked the end of the 2023 Georgia General Assembly Legislative Session. The General Assembly met on Monday, March 27, and the following Wednesday to complete days 39 and 40. The 2023 Legislative Session was very active in many different areas, with several vital bills reaching final passage on the last day of the session.

As of the final day of the session (and the start of the legislative two-year term), 850 House Bills and 331 Senate Bills were put forward. This number doesn't include the 761 House Resolutions and the 429 Senate Resolutions that were also heard.

At the end of the session, there are always a number of bills that float to the top in terms of being newsworthy, good bills to be aware of, and in some cases, even monitored closely for things that may be added or changed in upcoming legislative sessions. Last year, one of those bills was House Bill 1437 –the "Tax Reduction and Reform Act of 2022." This bill resulted in some clean-up language added this year in SB 56, which you will find summarized below. We also had HB 149, "The SALT Parity Act," passed a couple of sessions ago, resulting in some added clean-up language in HB 412, as discussed below.

## PTET

HB 412 – PTET – Repeal a limitation on types of partnerships that may elect to pay income taxes at the entity level

Bill details:

1. Changes the definition of eligible partnerships for PTE election
2. Allows for an annual election. Once the election is made, it is irrevocable for that tax year. Each tax year, a new election is allowed.
3. Same as HB149, partnership income is taxed at the entity level.
4. No change in this law for S Corps, the ability for S Corps to make the election remains the same as under HB149.
5. Entity pays tax on income at the entity level at a rate of 5.75 percent. Partners do not recognize income on their return which was taxed at the entity level.
6. Allows all partnerships to make the election. The old bill disallows the election for partnerships with owners who would not qualify as S Corp owners (partnerships, C Corp, LLCs, etc.). This is the most important point.

## TAX LEGISLATION

SB 56 / HB 454

This bill, a combined bill with non-tax items, was passed by The Georgia General Assembly and is headed to the Governor's office. The tax portion of the bill is a correction and enhancement to last year's HB 1437, which was a reform bill to establish a single bracket (flat tax), roll back the individual tax rate, eliminate the marriage penalty, and simplify the Georgia code with respect to the standard deduction and personal exemptions.

The tax provisions of SB 56 are effective January 1, 2024, and provide for the following:

- A single rate of 5.49 percent for individuals, trusts and estates; that rate is to reduce by 0.1 percent annually beginning in 2025 and caps at 4.99 percent;
- the 0.1 percent annual rate reductions are contingent upon certain state revenue thresholds determined in advance by the state Office of Planning and Budget;
- clarifies the continuation of the \$3,000 exemption for each dependent;
- accelerates the new standard deduction of \$24,000 for married filing joint taxpayers to January 1, 2024;
- provides for a standard deduction of \$12,000 for the single, head of household and married filing separate individuals;
- eliminates the double benefit of the new standard deduction for itemizers;
- allows taxpayers who itemize their federal return to elect to itemize for Georgia purposes or deduct the standard deduction (but not both);
- provides for a \$300 nonrefundable credit for each taxpayer who elects to itemize for Georgia;
- clarifies the rules for large-scale projects claiming tax credits and impacted by a pandemic, as defined; and
- clarifies sales tax exemptions and levies with respect to certain digital downloads and products.

## REGULATORY UPDATE

SR 85 – Senate Occupational Licensing Study Committee

- Nationwide, there have been conversations around reducing state requirements to get into certain occupations to lessen the burden of getting to work.
- While this seemingly makes sense for some, the concern is always around where states decide to draw the lines on what is an occupation license vs. a professional license.
- GSCPA will remain plugged into this conversation to look out for and protect the CPA profession.
- More to come on this as the study committee meets on this topic throughout the year.

HB 155 – Licensing by Endorsement

- This bill is focused on allowing reciprocal licenses to individuals moving to Georgia from another state with the same license deemed substantially equivalent to the requirements in Georgia.
- This is an easy bill and passed both bodies in a pretty quick fashion. There were no concerns from GSCPA since the Georgia State Board of Accountancy already allows this.

SB 157 – Bill that removes Moral Turpitude licensing criteria

- Would have removed the vague "moral turpitude" licensing criteria that can make it difficult for Georgians with criminal records to obtain an occupational license.
- Also would have let potential applicants know ahead of time whether their criminal records were disqualifying, rather than pursuing a license through a costly and time-consuming process only to find out they are ineligible.
- This bill passed the Senate and then got hung up in the House. However, this bill is still alive for next year.

## IN CLOSING

GSCPA was very active in conversations around these bills. We had members engaged on both sides of the aisle, and GSCPA successfully acted as a resource to ensure our legislators had a firm understanding of what they were proposing.

GSCPA will continue to monitor future legislation and keep the momentum moving in the right direction. With many changes and challenges ahead, GSCPA continues to work for you and actively participate in the legislative process.

## STAY INFORMED

Lastly, for more on legislation and representation or to locate your local representatives, visit [www.gscpa.org](http://www.gscpa.org). If there are any questions on the above information, contact Don Cook, vice president, legislative affairs, at 404-504-2935 or [dcook@gscpa.org](mailto:dcook@gscpa.org).

**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.

## Member News



### PROMOTIONS & NEW POSITIONS

**Robins, Eskew, Smith & Jordan** is pleased to announce that **Sam Jones** and **Jared Kane** have been promoted to manager.



### FIRM NEWS

**Mauldin & Jenkins** was named one of Accounting Today's Top 100 Firms for 2023.



### HONORS & AWARDS

**Titan CEO** is pleased to announce **Don Bravaldo**, president, Bravaldo Capital Advisors as a 2023 Georgia Titan 100. The Titan 100 program recognizes Georgia's Top 100 CEO's and C-level executives.



### IN MEMORIAM

- John W. Abbott**, LaGrange, Ga.
- Randall C. Brown**, Mineral Bluff, Ga.
- Joy P. Chapman**, Smyrna, Ga.
- Richard Hamilton**, Snellville, Ga.
- Oliver W. Holmes, Jr.**, Marietta, Ga.
- Roy H. Long**, Coolidge, Ga.
- John M. Nix**, Gainesville, Ga.
- O'Daniel Outlaw, Sr.**, Conyers, Ga.

# 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)



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## Exclusive Marketers and Administrators for The Georgia Society of CPAs Insurance Products

The Georgia Society of CPAs provides an alternative to all employers offering group health insurance.

**Avoid a large part of the HCR law in Community Rating and potentially save thousands of dollars by signing up with GSCPA's Association Plan.**

### ADDITIONAL EMPLOYER SPONSORED BENEFITS:

Dental | Disability | Life | Vision

### VOLUNTARY BENEFITS OPTIONS:

Offering voluntary worksite products on a **guarantee issue** basis through payroll deduction or bank draft.

All GSCPA members, employees of member firms and industry companies with affiliated CPA members are eligible!

- Term Life with 75 Months of Long Term Care
- Critical Illness Champions
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- Disability Income Protector
- Accident Champion

### LEGAL SHIELD/ID SHIELD (New GSCPA Offering):

#### The LegalShield Membership Includes:

- Dedicated Law Firm
- Legal Advice/Consultation
- Controls/Documents Review
- Will Preparation
- Speeding Ticket Assistance
- Uncontested Divorce Separation

#### The IDShield Membership Includes:

- Social Media Monitoring
- Privacy and Security Monitoring
- Consultation
- Full Identity Restoration
- \$5 Million Service Guarantee



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](mailto:pbell@sspins.com) or 404.949.1098.

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



## 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

### 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.



# 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 \$127,000, were awarded to over 60 accounting students from 15 different universities and colleges. The Foundation awarded an additional \$17,500 in scholarships through the Chapter Matching Funds Program, and GSCPA chapters granted Georgia universities and colleges \$2,500 in institutional support for a grand total of \$ 147,000. 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.

## congratulations to the following scholarship recipients:

### APRIO SCHOLARSHIP

\$2,300 Candice Naldrett, Georgia Southern University  
\$2,300 Molly Hester, Kennesaw State University  
\$2,300 Emma Marvil, University of Georgia

### BATES, CARTER & COMPANY, LLP SCHOLARSHIP

\$2,400 Anna Harlow, Kennesaw State University

### BEN BRANNON ACCOUNTING SCHOLARSHIP

\$3,000 Emily Juarez Salas, Mercer University

### BENNETT THRASHER PC SCHOLARSHIP

\$2,600 Lauren Allred, Georgia Institute of Technology  
\$2,600 Samantha Glover, Brenau College  
\$2,600 Isabell Quinn, Georgia Southwestern State University  
\$2,600 Austin Pitts, Kennesaw State University  
\$2,600 Laila Pettigrew, University of Georgia

### BLACKWELL POOLE, LLP ACCOUNTING SCHOLARSHIP

\$2,500 Matthew Swett, Georgia State University

### COLLINS/MOODY + COMPANY, PC SCHOLARSHIP

\$2,300 Johnathan Hicks, Georgia Southwestern State University  
\$2,300 Connor Knuckels, Valdosta State University  
\$2,300 Mary Smith, Georgia College & State University

### DONALD W. RHODES SCHOLARSHIP

\$3,000 Johnathan Clark, Georgia State University

### EDUCATIONAL FOUNDATION OF THE GEORGIA SOCIETY OF CPAS ACCOUNTING SCHOLARSHIP

\$1,500 Mary Beckum, Georgia College & State University  
\$1,500 Jack Como, Georgia College & State University  
\$1,500 Kaitlyn Evans, Georgia Southwestern State University  
\$1,000 Jailyn Howard, Wesleyan College  
\$1,500 Katelyn Carter, Georgia Southern University  
\$1,000 Joseph Mitchell, Georgia Southern University  
\$1,500 Zade Williford, Georgia Southern University  
\$1,000 Hugo McCoy, University of North Georgia  
\$1,500 Jackson Medford, Mississippi State University  
\$1,500 Briana Orr, Georgia College & State University  
\$1,500 Olivia Strickland, Georgia College & State University  
\$1,000 Mackenzie Wallace, Wesleyan College  
\$1,500 Iva Watkins, Georgia College & State University  
\$1,500 Savannah Whitmire, University of North Georgia  
\$1,500 Harrison Fish, Kennesaw State University  
\$2,000 Margaret Klements, Kennesaw State University  
\$1,500 John McCool, Kennesaw State University  
\$1,000 Kaitlyn Morgan, Kennesaw State University  
\$1,500 Julianna Ramon, Kennesaw State University  
\$1,500 Julia Tucker, Kennesaw State University  
\$1,500 Tracy Chen, University of Georgia  
\$1,500 Zachary Martin, University of Georgia  
\$2,000 David Schertz, University of Georgia  
\$1,500 Isabella Selander, University of Georgia  
\$1,000 Jae Hoon Seol, University of Georgia  
\$2,000 Caylee Whiteford, University of Georgia

### GIFFORD, HILLEGASSE & INGWERSEN, LLP SCHOLARSHIP

\$2,300 Juliet Romans, Georgia Southern University  
\$2,300 Anita Kadir, Georgia Institute of Technology  
\$2,300 Suyeon Oh, University of Georgia

### HOWARD HERMAN SERVICE AWARD SCHOLARSHIP

\$2,100 Justin Perry, University of Georgia

### JAMES P. MARTIN ACCOUNTING SCHOLARSHIP

\$1,000 Evan Baum, University of North Georgia

### JULIUS M. JOHNSON SCHOLARSHIP

\$5,000 Rhiannon Belcher, Kennesaw State University

### MCNAIR, MCLEMORE, & MIDDLEBROOKS & CO.

\$2,000 Alexander Roegge, Georgia College & State University

### RHODES, YOUNG, BLACK & DUNCAN SCHOLARSHIP

\$3,000 Haeli Hicks, Georgia State University

### ROBERT LANGE ACCOUNTING SCHOLARSHIP

\$3,500 Robert Burgess, University of Georgia

### ROBINSON GRIMES & COMPANY

#### KEITH GRIMES SCHOLARSHIP

\$2,300 Sydney Iulucci, University of Georgia

#### ROBINSON GRIMES & COMPANY

#### ROSS E. ROBINSON SCHOLARSHIP

\$2,300 Emily Allen, University of Georgia

#### ROBINSON GRIMES & COMPANY SCHOLARSHIP

\$2,300 Briley Braddy, University of Georgia

#### SWEATT EXCELLENCE IN ACCOUNTING

\$1,000 Madeleine Alu-Mensah, Georgia State University

#### WINDHAM BRANNON EXCELLENCE IN ACCOUNTING SCHOLARSHIP

\$2,300 Nathaniel Fields, University of Georgia  
\$2,300 Stephen Adam Briglevich, University of Georgia  
\$2,300 Theron Matlock, Georgia Institute of Technology

#### WINDHAM BRANNON'S BEN BRANNON SCHOLARSHIP

\$2,700 Shelby Scroggs, Berry College

#### WINDHAM BRANNON'S BILL BOMAR SCHOLARSHIP

\$2,700 Quatation Waller, University of North Georgia

#### WINDHAM BRANNON'S FRED WINDHAM SCHOLARSHIP

\$2,700 Mark McCleskey, Kennesaw State University

#### WINDHAM BRANNON'S JIM DUVAL SCHOLARSHIP

\$2,700 Lindsey Green, LaGrange College

#### WINDHAM BRANNON'S STUART CASHIN SCHOLARSHIP

\$2,700 Payton Smith, Georgia College & State University



## Georgia CPAs Advocate for Profession at State Capitol

### GSCPA MEMBERS GATHER FOR 12TH ANNUAL CPA DAY AT THE GOLD DOME

More than 100 members of The Georgia Society of Certified Public Accountants (GSCPA) recently met at the state Capitol to share their thoughts on important issues facing the accounting profession with their elected officials.

CPA Day attendees enjoyed a networking breakfast followed by a legislative update. Georgia Senate Finance Chairman Chuck Hufstetler and House Ways and Means Committee Chairman Shaw Blackmon were in attendance.

"CPA Day makes a real connection between our members and their elected officials. CPAs are uniquely qualified to act as a resource to Georgia's legislators and provide insights on the issues facing the profession and those important to the business world and the general public," GSCPA CEO Boyd Search said.

Chairman David Knight and each member of the Georgia CPA Caucus: Chairman John Carson, Rep. David Wilkerson and Chairman Billy Hickman provided an update on key legislative issues. Attendees also enjoyed a presentation from Clay Huffman and Paul Ziga from the Georgia State Board of Accountancy.

The Georgia Society of CPAs is committed to serving as the voice of the CPA profession in Georgia and advocating for the interests of its members and the business community before legislative and regulatory bodies.

### CPA DAY 2024: JANUARY 25, 2024 – MARK YOUR CALENDAR

Every year, numerous pieces of legislation are introduced in the Georgia General Assembly that can impact you, your profession, or your clients. CPA Day at the Gold Dome is your chance to develop key relationships within the state general assembly by sharing your thoughts and perspectives on the accounting profession's essential issues. Help your state legislators understand the issues facing the CPAs in Georgia. The time has come to advocate for your profession by meeting your elected representatives and informing them of the valuable role CPAs play in their local communities and the business community of Georgia. This unique opportunity greatly benefits the profession in the current year and years to come.

Join your fellow CPAs and peers for this free event to gain an inside look at Georgia's legislative process. Plus, you'll receive 1.5 hours of free CPE.

### STAY INFORMED

Lastly, for more on legislation and representation or to locate your local representatives, visit [www.gscpa.org](http://www.gscpa.org). If there are any questions on the above information, contact Don Cook, vice president, legislative affairs, at 404-504-2935 or [dcook@gscpa.org](mailto:dcook@gscpa.org).

## Outstanding Educator of the Year Award Presented to L. Dwight Sneathen, Jr., Ph.D.



The Educational Foundation of The Georgia Society of CPAs is honored to present the 2022 Outstanding Accounting Educator Award to L. Dwight Sneathen Jr. of Georgia Southern University.

L. Dwight Sneathen Jr., Ph.D., is an associate professor of accounting at Georgia Southern University. Before entering academia, Sneathen worked in public accounting as an auditor and as a staff accountant in private industry. He holds a Ph.D. from the University of Arizona and was a faculty member at Mississippi State University before his arrival in Statesboro in 2005. He is a Certified Public Accountant licensed in Georgia and a member of The Georgia Society of CPAs.

Dwight teaches financial accounting at the graduate and undergraduate levels and managerial accounting at the undergraduate level. His research includes capital markets and audit topics focusing on the impact of firm characteristics on audit planning decisions and outcomes. He has served as the program director for the MAcc programs and the faculty advisor for Beta

Alpha Psi. He has coordinated the delivery of the Junior Achievement program to Middle Schools throughout Bulloch County. Sneathen was voted Professor of the Year in 2007 and 2011 by the accounting students at Georgia Southern University and was recognized as the Volunteer of the Year by Junior Achievement in 2012.

In the spring of 2022, he received the Michael W. Skinner School of Accountancy Excellence Award for his excellent teaching and service to the School of Accountancy. Dwight put together GSU's 2022 Meet the Firms event, with the highest firm attendance, including virtual interviews to accommodate firms that could not attend in person. And during that stressful time of organizing the event, he still took time to meet with each of his Intermediate I students on a one-to-one basis to discuss their career aspirations and guide them to navigate the years ahead to achieve their goals. Dwight has over 50 students, so the extra 25+ hours that he spends outside of the classroom as he pours into the lives of his students demonstrates his dedication and the impact he has on the lives of his students.

Additionally, he has volunteered for Conversations with Professors (CWP) for over 10 years – one of the most regular and consistent volunteers. This university-level program engages faculty volunteers with new incoming students early in their college careers.

He constantly works with students, encouraging them to work towards certification and champions the CPA review course. He seeks out new material and methods of keeping students engaged, pulls current events and happenings in the profession into class and ensures that every

student has what they need to succeed in the program. Dwight uses a combination of online and face-to-face material reinforcement, helping each student learn in an ideal way. For several years, he has been the point of contact in the School of Accountancy for firms seeking to recruit students. Dwight maintains excellent relationships with firm recruiters, leading to job opportunities, internships, firm socials/special events, interviews, meet and greets, summer leadership programs and scholarships for our students.

He has been a loyal member and leader in The Georgia Society of CPAs (Leadership Council Member-at-Large, Nominating Committee, Financial Literacy Task Force, Leadership Academy), The Educational Foundation (Director, Executive Committee, Educational Engagement and Awards Committee, Scholarship Committee), and the GSCPA Southeast Georgia Chapter (past president, vice president and treasurer).

The Outstanding Accounting Educator Award is presented to an outstanding educator in the field of accounting who is a member in good standing with GSCPA. The nominee should have at least 10 years of experience as a full-time accounting educator and made significant contributions to accounting education and/or have had a significant impact on the lives of their students.

As an additional encouragement to accounting educators, the Foundation financially supports the Georgia Association of Accounting Educators through participation in the association.



# Renew Today! THE VALUE OF YOUR 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 22,000 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 GSCPA 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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Log in to your account with your username and password

Under the drop down category MY GSCPA, click PAY MY DUES

From there you can choose to renew your individual or multiple memberships for your convenience

## Don't Lose These Important Benefits!

### 500+ SUPERIOR EDUCATIONAL EVENTS

- \$100 possible savings per event as a GSCPA member
- 500+ events annually
- 150+ live stream events
- 600+ On Demand Courses

### NEWS RESOURCES TO STAY RELEVANT

- *Current Accounts* - GSCPA's bi-monthly magazine
- The Voice - A fast-read email with current accounting news and the latest in GSCPA upcoming events
- [gscpa.org](http://gscpa.org) - 24/7 access to our CPE event catalog, professional updates and videos, and other exclusive member benefits
- Interest Communities - Receive information based on your specific interest areas
- Social Media - Follow us on Facebook, LinkedIn, Instagram, Twitter and YouTube to stay up-to-date on issues and events concerning the profession and your membership

### AN ADVOCATE FIGHTING FOR YOUR INTERESTS

### NETWORK WITH 12,000 MEMBERS

Find your local GSCPA Chapter

### VOLUNTEER OPPORTUNITIES

- Advisory councils, committees and task forces
- Community involvement
- Serve on the board of directors or leadership council

### THE EDUCATIONAL FOUNDATION

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.

### GSCPA-PAC, ONLINE CAREER CENTER, ISSUE MONITORING, STUDENT INITIATIVES AND MORE!

# Beach Clusters on Jekyll Island



2023 Beach Clusters are July 13-14 on Jekyll Island. Design your unique education series and earn up to 16 hours of CPE credit by mixing morning and afternoon sessions. Attend half a day or all day, one day or both days — the flexibility is all yours. Register online at [www.gscpa.org](http://www.gscpa.org).

## JULY 13, 2023

8:30 a.m. - 12 p.m.

Current Issues in Accounting and Auditing: An Annual Update  
Surgent's Individual Tax Planning Ideas

12:30 - 4 p.m.

Technology Trends and Hot Topics Impacting the Accounting Profession  
Maximizing Your Social Security Benefits

## JULY 14, 2023

8:30 a.m. - 12 p.m.

Guide and Update to Compilations, Reviews, and Preparations  
Required Minimum Distributions: Compliance and Planning

12:30 - 4 p.m.

Ethical Considerations for CPAs  
Key Partnership and SC Corporation Tax Planning Strategies



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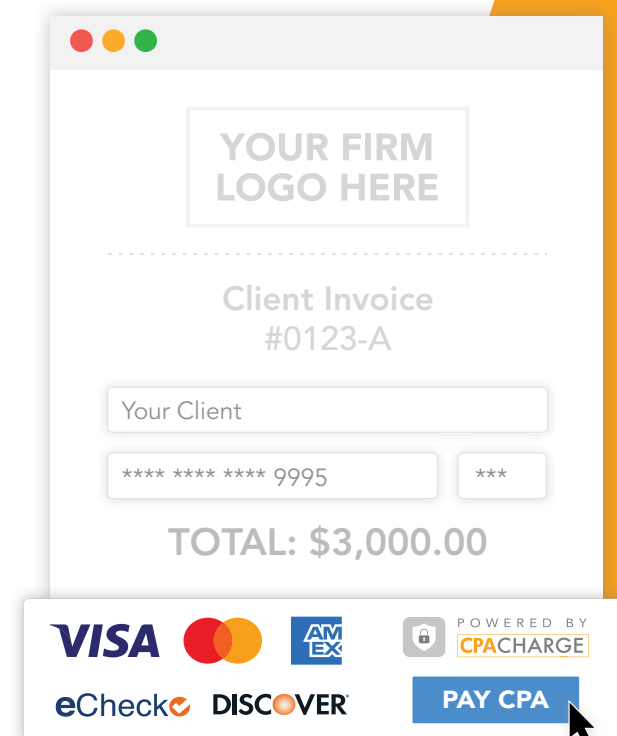
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CPA firm located in Hilton Head, SC for sale. Firm established in 2012. Annual Revenue \$700,000, 60% tax 40% Bookkeeping. Please email inquiries to [dineen@pilatesbydineen.com](mailto:dineen@pilatesbydineen.com). NO PHONE CALLS PLEASE.



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# Current Accounts Self Study Test

May/June 2023 | Test No. CA230506

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

- Go to [caselfstudy.gscpa.org](http://caselfstudy.gscpa.org).
- Click on "Register Here" for the appropriate issue.
- 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.
- Complete the test and click "Submit" when you are finished.
- Print the confirmation page for your records.

## PRINT INSTRUCTIONS

- Detach this page from *Current Accounts*.
- Take the test, recording your answers on the answer sheet by filling in the appropriate circle.
- Complete the registration and payment information. Payment must be submitted with the test. Print clearly.
- 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 2023 TEST NO. CA230506

- (A) (B) (C) (D)
- (A) (B) (C) (D)
- (A) (B) (C) (D)
- (A) (B) (C) (D)
- (A) (B) (C) (D)
- (A) (B) (C) (D)
- (A) (B) (C) (D)
- (A) (B) (C) (D)
- (A) (B) (C) (D)
- (A) (B) (C) (D)

## GSCPA: A LOOK INTO YOUR ASSOCIATION

### 1. Select the INCORRECT statement from the following:

- The GSCPA has almost 12,000 members.
- Because of the pandemic, GSCPA no longer offers any in-person continuing education classes.
- The GSCPA seeks member input through volunteer engagement, focus groups, and surveys.
- The GSCPA funds its operations through member dues and continuing education revenue.

### 2. Which of the following pairings is CORRECT?

- Recruitment: Educational Foundation scholarships
- Advocacy: Key Person program
- Professional news: Current Accounts
- All these are correct.

## WHAT YOU MAY HAVE MISSED DURING BUSY SEASON

### 3. Select the INCORRECT statement from the following:

- The IRS is considering the GIG economy treatment of some workers as independent contractors rather than as employees.
- The required minimum distribution (RMD) age has been raised for this year for those who attain age 73.
- Cryptocurrency losses are subject to the capital loss limitation rules since the IRS considers crypto assets securities rather than property.
- Treasury issued final regulations on e-file for businesses which included increasing the number of returns which must be filed electronically.

## FASB ISSUES PROPOSED ACCOUNTING STANDARDS FOR CRYPTO ASSETS

### 4. All the following are correct EXCEPT:

- The valuation of crypto assets can be volatile, with significant price fluctuations in a short period.
- Fortunately, specialized AI (Artificial Intelligence) software is available that takes the judgment out of measuring the fair value of illiquid or thinly traded crypto assets.
- Under the proposed ASU, entities must measure certain crypto assets at fair value in the statement of financial position each reporting period and recognize changes in fair value in net income.
- Under the proposed ASU, changes in the fair value of crypto assets can create a book vs. tax difference, as tax will not recognize any unrealized gains or losses.

## EMPLOYMENT LAW AXIOMS: PART 1

### 5. Select the CORRECT statement from the following:

- Finding a way to buy out of a case quickly keeps the situation a solvable and predictable business issue rather than creating a risky and unpredictable legal problem.
- Unlike settlement proceedings, litigation is definite, subject to a cost-benefit and ROI analysis, and certain.
- Once you identify someone who needs to go, take three months to document as many reasons as possible for terminating the employee.
- Twenty percent of employees cause eighty percent of HR problems.

## 6. According to the author:

- Almost all workers companies deem as "contractors" are misclassified employees.
- Companies should implement a sustainable plan to onboard workers as employees rather than as contractors.
- Employers should not let contractors do the same work as employees or vice-versa and don't allow terminated employees to stay on as contractors.
- All of these.

## ESSENTIAL IT DOCUMENTATION FOR YOUR CPA FIRM

### 7. Select the INCORRECT statement from the following:

- BYOD policies describe when and how employees can use their own laptops, smartphones and other personal devices on the company network.
- Documented policies can reduce cyber-liability insurance premiums.
- Incident response plans outline preparations for IT outages and downtime, temporary measures to maintain availability when infrastructure is disrupted, and how the organization plans to recover IT operations to their original state.
- When it comes to policies, "If it isn't written, it doesn't exist."

## WHAT IS FORENSIC ACCOUNTING?

### 8. Forensic accountants don't just look for fraud. They also provide support for

- Commercial litigation matters
- Business valuation disputes
- Economic damage calculations
- All of these

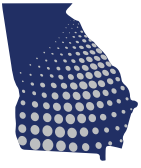
### 9. A forensic accountant who was hired to search for hidden assets might be practicing in which of the following forensic accounting areas?

- Economic damages case
- Bankruptcy
- Family law
- Forensic data analysis

## GEORGIA 2023 LEGISLATIVE SESSION WRAP UP

### 10. Which of the following pieces of legislation is NOT headed to the Governor's desk?

- Bill providing for a \$300 nonrefundable credit for taxpayers who elect to itemize for Georgia.
- Bill allowing essentially all partnerships to elect to pay income taxes at the entity level.
- Bill allowing for reciprocal licenses to be issued to individuals moving to Georgia from another state with the same license deemed substantially equivalent to the requirements in Georgia Southern University.
- Bill removing the moral turpitude licensing criteria so that it will be less difficult for Georgians with criminal records to obtain an occupational license.



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