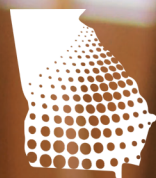


Lynne Riley Takes the Reins as Georgia's New Revenue Commissioner



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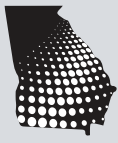
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Contents



COLUMNS

14 | TAXATION

While You Were Away:

Tax Updates from the 2015
Filing Season

*Anson Asbury, J.D., LL.M. and
Arthur Auerbach, CPA, CGMA*

16 | A&A

Six Concerns the Department
of Labor Has With Employee
Benefit Plans

Chris Rouse, CPA

18 | INDUSTRY

How the CFO Can Be a Trusted
“C-Suite” Adviser

Don Minges, MBA

20 | TECHNOLOGY

What Do You Want to Learn
Today?

Jennifer Oleksa

22 | ESTATE PLANNING

Your Final Log Off: Estate
Planning for Your Digital Assets

Stephen M. Worrall

24 | REAL ESTATE

The Tangled Tangible Property
Regulations: The Greatest Relief
and the Greatest Dangers

*David D. Aughtry, Brett W.
Beveridge, and John W. Hackney*

FEATURES

8 | LYNNE RILEY TAKES THE REINS AS GEORGIA NEW REVENUE COMMISSIONER

Natalie Rooney

12 | 2015 LEGISLATIVE SESSION—BILLS IMPORTANT TO THE CPA PROFESSION

Don Cook

SOCIETY NEWS

5 | CEO MESSAGE

Boyd E. Search, CAE

7 | CHAIR MESSAGE

Terry I. Parker, CPA

26 | 2015 GSCPA ANNUAL CONVENTION

28 | MEMBERSHIP

30 | MEMBER NEWS

32 | CPE

34 | CLASSIFIEDS

36 | SELF-STUDY TEST

38 | MEMBER VIEW

Are Not-For-Profits Ready for
Change?

Kathryn M. Fletcher, CPA

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Educational Evolution Through Technology

Boyd E. Search, CAE



The foundation of the CPA profession is built with such time honored values as protecting the public, serving as Trusted Advisors, and safeguarding the country's financial markets. One of the cornerstones of this foundation is professional development and continuing education. We know it's not enough to just know what was learned in college or from preparing

for the CPA exam. The CPA profession's commitment to continuing education remains unwavering, but in recent years questions and innovations concerning how it's delivered and measured have come to the forefront.

CPE has evolved quite a bit over the last several decades.

Traditionally, to obtain CPE credit a CPA would have to travel to a classroom full of other CPAs and receive four to eight hours of education on one particular topic. This form of education continues to be a mainstay. However, other options such as self-study programs or CPE held "in-house" at firms and companies also continued to gain relevance.

It comes as no surprise that technology has changed education by breaking down the barriers of time and distance. First with webinars, then followed quickly by podcasts. These products led to the rise of On-Demand learning, which allows CPAs to watch prerecorded presentations 24-7-365. Suddenly neither "where" nor "when" were critical to learning; "what" became the most significant factor.

As market place costs for media production equipment has normalized, the ability to provide live-time instruction while creating an "in-classroom" experience through the Web has become more prevalent. Streaming live video of CPE presentations is evolving from the rare exception to the norm. GSCPA was an early adopter of this technology and continues to invest in the resources needed to allow any CPA near or far have access to in-depth, real-time instructors and content. All of these technological

advancements have made it easier for CPAs to gain access to the information they need. We've had a large number of CPAs tell us how much they appreciate avoiding the cost and inconvenience of travel associated with traditional learning models now that attending an event can happen from the comfort of their home or office.

This rapid succession of technology advances has caused leaders of the CPA profession to pause and consider what the future of CPE may look like. The way people are learning is quickly changing. Higher education has begun to embrace some of these changes by offering new models for distance learning, morphing class content into video games and even awarding digital badges for completing course work. The Kahn Academy has been another trail blazer. What first started as a series of YouTube videos made in order to help his niece with math, Sal Kahn has created an evolution in learning. Some educators are flipping the entire learning model on its head, asking students to view the lectures as "homework" and do the homework in class where they can benefit from the presence of classmates and instructors while solving problems.

These innovations are forcing change in the continuing education marketplace with the goal of finding the most effective way to educate. The questions for the CPA profession are how to harness the power of this evolutionary thinking to ensure the most competent professional over a lifetime of work, and how do we adapt our regulatory model to reflect and accommodate these changes. Some argue there are other ways to measure competency outside of the number of hours a CPA participated in CPE. Ideas include competency testing as a standard function of license renewal and/or new models for measuring learning that includes non-traditional activities such as mentoring and inter-office training, among others.

These discussions are in their infancy and need to be held very deliberately with one thing in mind: that whatever changes continues the great history of ensuring a highly competent CPA profession. One thing I know for sure is that as technology continues to advance it will continue to impact the way we learn and the CPA profession will be at the forefront of ensuring professionals change with it.



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Thank You for Getting on Board

Terry I. Parker, CPA



I was told my year as Chair of The Georgia Society of CPAs would fly by. I must have blinked because here we are at the end of the year. A year that I have thoroughly enjoyed. Meeting the members across the state during chapter visits and working

with the leaders of those chapters has been very rewarding.

First and foremost I want to thank my wife Felicia for her support this year. I couldn't have done it without her. I would also like to thank the staff at GSCPA, a great group of people who work very well together; their support is amazing.

The year went by quickly and GSCPA was very busy. On the heels of our work in legislation last year, the State Board of Accountancy moved out from under the Secretary of State and hired Paul Ziga, their first executive director. January hosted a successful CPA Day at the Gold Dome. We introduced another piece of legislature – House Bill 246, which passed the Senate and makes certain that the accountancy statute is as up to date as possible to ensure a properly functioning Georgia State Board of Accountancy (GSBA). Read more details of this bill on page 12.

In the summer, GSCPA launched Interest Communities, which represent a specialty or segment of the CPA profession and are free for members to join. These groups are thriving and continue to develop every day. Their growth is amazing – in just one year there are over 3,600 subscribers and that number is continually growing. If you are not a member of one of these groups, I urge you to take a look online at communities.gscpa.org.

If you haven't already noticed, the website is all new. In January, GSCPA launched a new site, which is innovative and well organized. New and improved resources and features make it very user-friendly and enjoyable. Now that busy season is over and CPE season is upon us, registering for events has never been easier.

It was a tremendous year; I am honored to have been a part of so many outstanding programs. I look forward to seeing what GSCPA has in store over the next year. As we transition to new leadership, I encourage all of you to support Lowell and Barbara, who have been great assets to me during my term and will continue the forward momentum of new initiatives GSCPA has started and more that will develop.

At the beginning of my term I asked everyone to "get on board" with GSCPA. Well, you did and I thank each one of you for the support you showed me. We made it a truly memorable year.





Lynne Riley Takes The Reins

as Georgia's New Revenue Commissioner

Natalie Rooney

On Jan. 11, 2015, Lynne Riley began her appointment as Georgia's new Revenue Commissioner. With more than 30 years of experience as a tax accountant, and legislative experience at both the local and state levels, she's tackling her ambitious to do list at the Department of Revenue.

Phase One - Collections

Given her long list of civic and legislative involvement and experience in the Peach State, you'd guess that Lynne Riley was a native Georgian. But you'd be about a thousand miles off the mark. Born and raised in New England, Riley attended Northeastern University in Boston, Bentley College in Waltham, Massachusetts, and the American Institute of Banking, also in Boston.

In 1988, a career move for her husband brought the Riley family to Georgia. Riley and her husband, Mike, settled in Johns Creek where they raised their three children, Katie, Eileen, and Greg. "We have lived there very happily ever since," Riley says.

Well, it has been mostly happy, unless you factor in the issue that one of their children is a graduate of the University of Georgia and one is still a student at Georgia Tech. "We are a house divided," Riley laughs. "But happily so."

An Active Leader

Riley's long list of roles at both the local and state government levels has covered a wide range from the neighborhood HOA to her new role at the Department of Revenue where she began her appointment after four years in the Georgia General Assembly as the House District 50 (Johns Creek) Representative. She served as one of Governor Deal's floor leaders and as a member of the Ways and Means, Natural Resources and Environment, Retirement and the Metropolitan Atlanta Rapid Transit Oversight committees.

Riley previously served as the Fulton County Commissioner for District 3 from July 2004 to December 2010. As Commissioner, Riley served on the Fulton County Employees Retirement Board and the Fulton County Defined Contribution Retirement Plan Committee. She was a board member of the Atlanta/Fulton County Water

Resources Commission, and the chair of the Fulton County Building Authority. She served on U. S. Congressman Tom Price's Advisory Council. Riley was appointed to the National Association of Counties Finance and Intergovernmental Affairs Steering Committee. She served as vice-chair of the Association of County Commissioners of Georgia's Revenue and Finance Policy Committee in 2010, and Economic Development and Transportation Policy Committee in 2009. In 2008, she was appointed by Governor Perdue to the Georgia Public Defender Supervisory Council for the Atlanta Judicial Circuit. Riley worked with the North Fulton House Delegation in the creation of the new cities of Sandy Springs, Johns Creek and Milton.

In her community, she has served as treasurer and board member of the Johns Creek Community Association Inc., member of various Fulton County Citizen Advisory Boards, PTA volunteer at five Fulton County schools, and served as an officer in the Avian and Cameron Homeowners Associations. She served on the American Cancer Society North Fulton Advisory Board and the Atlanta Symphony Orchestra/Verizon Wireless Amphitheatre at Encore Park Board of Trustees. Riley is a member of the Class of 2005 Atlanta Regional Commission's Regional Leadership Institute and an alumnus of the Coverdell Leadership Institute. Riley is also a founding member of the Board of Directors of the Johns Creek Foundation, Inc. and the Conservative Policy Leadership Institute, Inc. She is a board member of the Johns Creek Economic Development Corporation, and is currently participating in the "Johns Creek Advantage" economic development initiative.

What role has been most challenging? "Probably serving on the HOA," Riley says. "That's government at its closest to the people. And you're dealing with what's happening in your neighbor's yard. Sometimes that's more volatile than anything that's happening at the state level," she chuckles.

Riley continued on page 10

Down Time? What's That?

Between her many roles, Riley says she doesn't have a lot of time to kick back and relax. But when she does, reading is her favorite way to unwind. "I'm a reader," she says. "It's what I'll choose to do when I have no other distractions. I can lose myself in a well-written historical novel and the occasional John Grisham book." Books about Medieval and European history are also on her list of favorites.

What is she reading right now? Legislation, of course. "Reading ends up taking second place," she says. "During the legislative session, all of our focus is on the legislation that's being contemplated, so right now, my reading is legislation." John Grisham will have to wait.



Drawing on Experience

In her new role as Revenue Commissioner, Riley says she is drawing on her 30 years of accounting experience. As the partner in a Massachusetts-based accounting firm focusing primarily on tax preparation for individuals and small businesses, some of whom she says have had sales tax exposure, she has developed a strong understanding of compliance issues. "My career has been around the periphery of what the Department of Revenue does," she says.

As she has settled in at DOR, Riley says one of her primary goals has been to have conversations with other agency heads to deal with an issue that is affecting government offices across the country: succession planning. "Government services have always been appealing to

folks as a career," she says. "But now, new generations are looking at their career paths differently. We'll need to be adaptable to attract, retain, and offer growth opportunities to new generations to be able to compete with the private sector in an improving economy."

State agencies are reaching out through job fairs and online postings. "We're trying to sell ourselves as a place to grow in your career and capabilities," Riley explains, adding that

retention presents a challenge. "We are very attractive at the entry level," she says. "We invest the time to train personnel and then our big challenge is retaining them. Our employees become very attractive to the private sector. We need to find ways to retain good people."

Meeting the needs of a retiring workforce and a new generation, while still meeting the needs of the taxpayer, is yet another hurdle. Another one of Riley's goals is system modernization to make as much of a taxpayers' activity with DOR web-based and digital, "to be more conducive to our younger generation," Riley says.

Riley is working to expand the dialogue between the people DOR serves and how the agency serves them. She is establishing advisory councils from the practitioner and local government sectors. "We want to bring in people who are subject matter experts to help us determine how we can advance and modernize our technology and business practices," she says.

In fact, technology is a big initiative for Riley's first year. Six years ago, DOR upgraded its hardware and software to integrate its tax systems. "Sales tax, income tax, and motor vehicles used to be in separate siloes," she says. "Now we have a fabulous integrated tax system that allows us to cross reference. We can better understand any taxpayer and serve their needs."

Another project on Riley's plate is sending out a request for proposal for the full modernization of the DOR's vehicle registration system. Currently, each county office is responsible for tagging and titling within their jurisdiction. DOR is looking to replicate its success in the sales and income tax systems. She says this will be an extended process, but one that will be more customer-focused going forward, with an eye to a digital interface that would allow taxpayers to apply for or renew their motor vehicle tax and title online.

Another area undergoing great scrutiny is fraud. "One of our continual challenges is protecting taxpayer resources through fraud prevention," Riley says. "We want to make sure we investigate and prosecute those who may be trying to compromise the system."

Protecting against taxpayer identity theft is also high on Riley's list of concerns. "We live in an age where fraud unfortunately is more the norm with each passing day," she says. "We have to maintain our technical systems to remain defensive and not allow any corruption of our systems for false filings. ID theft isn't just public or private. It's wherever vulnerabilities are identified and are being taken advantage of. We are always looking for ways to protect and defend taxpayers' resources against that."

Coordinating the Moving Parts

Many people don't realize how many moving parts comprise DOR. With 1,100 employees, the department also manages alcohol and tobacco licensing, compliance, and excise taxes. The local government service division helps address taxation and property assessment. DOR partners with counties on those efforts. DOR also offers taxpayer services to assist with everything from taxpayer filing to review/audit and even investigation functions in some cases.

DOR employs auditors who travel around the state and the country to conduct multi-state and corporate audits. Riley says now that Georgia has been identified as a great place for movie and film production, it creates a lot of audit work across the nation. "We're grateful, but we have to make sure that people doing business here are complying with tax laws."

Then, of course, there's the technology team. "We are most closely affiliated with them right now," Riley says.

And last, but not least, is the legislative affairs team. "They work tirelessly to assist members of the General Assembly to develop new policy," Riley says.

Riley says she welcomes the insights of GSCPA members as experienced partners serving Georgia's taxpayers. "Opportunities to advance and change our policies and procedures at DOR to better serve the taxpayers are always welcome," she says.



2015 Legislative Session— Bills Important to the CPA Profession

Don Cook

The 2015 Legislative Session began on Monday, January 12 and ended at midnight on April 2. As with past sessions, this year's session came to a close with legislators and lobbyists vying for an opportunity to get their bills heard and passed through the respective houses and ultimately onto the Governor's desk for his signature.

The headlining bills for the 2015 session included: HB 1 (Medicinal Marijuana), HB 76 (State Budget), HB 170 (Transportation Bill), as well as the fate of the electric car tax credit which is addressed in HB 170.

In addition to the above headliners, a number of bills passed this year that are of particular interest to the CPA community. The Georgia Society watched these bills closely and took an active role in their ultimate passage. These bills include House Bill 246 and House Bill 292.

House Bill 246

This bill passed the Senate on April 2 and is now headed to the Governor's desk for his signature. As introduced, this Bill makes certain that the accountancy statute is as up to date as possible to ensure a properly functioning Georgia State Board of Accountancy (GSBA). The following changes to statute (through HB 246) were pursued and achieved during the 2015 legislative session:

- To establish the GSBA as an independent agency within the State Accounting Office. This is currently being achieved through an executive order.
- To move some administrative and enforcement related authorities (ability to create committees, ability to issue cease and desist letters, etc.) over to GSBA that were not carried over in last year's bill (HB 291).
- To update the Accountancy Statute's definition of attest to reflect the most recently adopted version of the Uniform Accountancy Act. Through this process, and by adding the definition of "report" to Statute, unlicensed individuals would not legally be allowed to imply assurances to organizations on their financial statements or financial reports while using the language of the CPA profession.

House Bill 292 – Conformity Bill

This bill was signed into law by Governor Deal on March 6 and is the piece of legislation that conforms Georgia Statute to tax changes that have taken place at the federal level.

It defines the terms "Internal Revenue Code" and "Internal Revenue Code of 1986" and thereby incorporates certain provisions of federal law into Georgia law; it provides an effective date and applicability (in this case for taxable years beginning on January 1, 2014), and it repeals any conflicting laws that may exist.

This year the biggest change to the conformity bill over previous years are a couple of amendments that were added in by the Senate Committee on Finance. These amendments include: 1) increase the Section 179 deduction to \$500,000 to fully match the Feds, and 2) increase the phase out of the Section 179 to \$2,000,000, which again falls in line with the Feds.

House Bill 1 – Haleigh's Hope Act

The House agreed to the Senate's Amendments/ Substitution on March 25 and the bill has been forwarded on to the Governor for his signature. Governor Deal has already put into effect an executive order directing agencies

to prepare for the final approval of HB 1. The bill makes it legal for Georgia residents with certain conditions to possess and use the oil containing THC. The oil cannot be produced in Georgia, but residents with these certain conditions can get certification from their doctor for a registration card allowing them to possess the oil. These individuals will need to acquire the oil out of state and can possess up to 20 ounces.

House Bill 76 – State Budget

This bill is constitutionally required to be passed as the state has to have a balanced budget in place to approve spending in the next fiscal year. This budget year (July 1, 2015 - June 30, 2016) is set to a revenue estimate of \$21.8 billion, which is an increase over last year. There are many components of the state budget with roughly 55 percent of these monies going towards K-12 education. On March 31 (Day 39 of Session) this bill was officially passed by both sides of the General Assembly and sent on to the Governor for his signature.

House Bill 170 – Transportation Bill

This bill was one of the more contentious ones that surfaced during session this year. The bill has many aspects that changed throughout session. The final bill that passed both houses on March 31, and has been sent to the Governor for his signature, included the following components:

- Georgia Department of Transportation will create and submit a 10 year strategic plan to the House and Senate transportation committees for approval.
- An alternate fueled vehicle registration fee is added. Non-commercial is \$200 and commercial is \$300.
- A heavy vehicle impact fee is added. For vehicles weighing 15,500 lbs. up to 26,000 lbs. is \$50 upon

registration, while vehicles over 26,000 lbs. is \$100 upon registration.

- Both tax credits on low emission and zero emission vehicles expire on July 1, 2015.
- This legislation does away with state sales taxes on gasoline, but leaves intact local taxes – Local Option Sales Taxes, Special Purpose Local Option Sales Taxes, and education SPLOSTs. However, the one percent local options sales taxes will only be collected on the cost of gasoline up to \$3 per gallon for a max of three cents per gallon, per tax.
- Since the state sales taxes on gasoline is eliminated and excise tax is added in its place. Under this new bill, a gallon of gas will be taxed at 26 cents per gallon, or 29 cents for diesel - this equates to roughly six cents more per gallon at the pump than what is currently being charged.
- Also, new for state funding related to transportation, there will be a \$5 fee assessed to anyone paying a fee to stay in the state overnight (hotels, motels, inns, etc.).

Stay Informed

The Georgia Society will continue to monitor future legislation and keep the momentum moving in the right direction. With potential changes and challenges ahead, GSCPA continues to actively participate in the legislative process.



For More on Legislation

For more on legislation and representation or to locate your local representatives, visit www.gscpa.org. For questions on the above bills contact Don Cook, vice president, legislative affairs at 404-504-2935 or 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.

While You Were Away: Tax Updates from the 2015 Filing Season

Anson Asbury, J.D., LL.M. and Arthur Auerbach, CPA, CGMA

We're pleased to be back again this year with a tax update to cover the months while you were away in the alternate universe known as busy season. It's time to sort through the stack of paper on the corner of your desk, wash out that overused coffee mug and catch up on the latest tax developments. Welcome back to civilization!

Compliance and Reporting

ACA Compliance - On February 18, the IRS issued Notice 2015-17¹ extending the reporting deadline for healthcare coverage reimbursement plans, also known as employer payment plans, for purposes of the §4980D penalty under the Patient Protection and Affordable Care Act ("ACA"). Businesses that reimburse employees for coverage obtained outside the company, e.g., through the employer of the employee's spouse, are considered to have employer payment plans. These plans do not comply with the market reforms of the ACA and can be subject to penalties of \$100 a day. The new guidance gives taxpayers until June 30, 2015 to transition to a conforming plan.

Notice 2015-17 also allows S Corporation two percent shareholder-employees to continue to receive deductible reimbursements of health care premiums paid on outside coverage. S Corp. shareholder-employees in such a healthcare arrangement are exempt from the market reforms and IRC §4980D excise tax. While the benefit of this exemption is permanent for shareholders, it does not extend to non-shareholder employees of the S Corp.

Tangible Property Regulation Compliance - In February, the IRS also issued relief from filing Forms 3115 under the final tangible property regulations for most small employers. However, this relief is not an exemption from the new rules. Each taxpayer must still develop written policies to comply with the regulations, including various write-off policies and the methodology for enforcing them. For more on the requirements of the tangible property regulations visit the FAQs on the IRS website.²

FMLA and Same Sex Marriage - The Department of Labor issued new guidance on same sex marriage and the Family Medical Leave Act ("FMLA") effective March 27, 2015. Employers should ensure that their benefit programs are in compliance with these new aspects of the labor laws and the Internal Revenue Code, especially those operating in one of the many states that now recognize same sex marriages.

Bitcoin - The IRS issued guidance in 2014 treating the virtual currency, Bitcoin, as property and applying the general property rules. The states have now gotten into the game too. Late last year, New York State issued guidance on the treatment of Bitcoins for sales, income and business corporation tax reporting purposes.³ Yes, Bitcoin purchases are subject to sales tax and New York's position may become the template for other states.

Identities and Directories

Identity Theft - Some taxpayers may receive IRS Letter 5071C if the taxpayer's identity has been compromised

and a return has already been filed for that name and social security number. Upon receipt, the taxpayer should access <http://idverify.irs.gov>. Taxpayers can use prior year return information to verify their identity. If the taxpayer knows their identity has been stolen, they should contact the IRS identity theft unit and possibly obtain a special number identifier to speed processing of a new return.

New Return Preparer Directory - On February 5, the IRS launched a new searchable, online directory of tax return preparers at <http://irs.treasury.gov/rpo>. The database consists of all preparers who have registered for a PTIN number. Go to the site and make sure your information is correct because there is no provision to opt out.

From The Courts

Late Filing Penalties Still Unduly Harsh - The IRS position on late filing penalties again yields a particularly severe result. Despite a successful malpractice claim and relinquishment of a law license, a practitioner's misrepresentations to an executor about having filed a timely estate tax return extension was not enough to relieve the estate of a \$1.1 million late filing penalty. The District Court Judge in *Specht v. U.S.*⁴ described the result as "sad" and "unfortunate" but was bound by precedent in his ruling. In contrast, the State of Ohio refunded the same penalties on the state estate tax without requiring the taxpayer to file suit.

Passive Income Losses - Credibility is the key to sustaining passive income losses. Another taxpayer seeking to be treated as a real estate professional has lost in Tax Court. In *Flores v. Commissioner*⁵, the taxpayer submitted calendars claiming 799 hours of real estate efforts. However, he also delivered conflicting and unreliable testimony about

the calendars. The court disregarded the logs based on the contrary testimony and disallowed the claimed losses.

Contrast that decision with *Lewis v. Commissioner*⁶, where a disabled veteran who did not provide logs was allowed passive income losses despite the IRS's argument that he claimed an unreasonable number of hours for maintenance. The court relied on the taxpayer's credible testimony and noted that injuries sustained by the taxpayer during the Vietnam War may have contributed to the amount of time he needed to perform certain tasks. Tax Court Judge Kerrigan heard both cases.

¹ Notice 2015-17, 2015-7 I.R.B. 599.

² Tangible Property Regulations - Frequently Asked Questions at <http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Tangible-Property-Final-Regulations>.

³ See New York State Technical Memorandum, TSB-M-14(5)C, (7)I, (17)S.

⁴ *Specht v. U.S.*, No. 1:13-cv-705 (N.D. Ohio January 6, 2015).

⁵ *Flores v. Commissioner*, TC Memo. 2015-9.

⁶ *Lewis v. Commissioner*, TC Summ. 2014-112.

IN BRIEF

The IRS extended the reporting deadline for healthcare coverage reimbursement plans for purposes of the \$4980D penalty under the Patient Protection and Affordable Care Act.

Some taxpayers may receive IRS Letter 5071C if the taxpayer's identity has been compromised and a return has already been filed for that name and social security number.

Despite a successful malpractice claim and relinquishment of a law license, a practitioner's misrepresentations to an executor about having filed a timely estate tax return extension was not enough to relieve the estate of a \$1.1 million late filing penalty.

Anson Asbury, J.D., LL.M. represents individuals, partnerships and closely-held businesses in tax controversy and tax litigation matters for Asbury Law Firm in Atlanta, Ga.

Arthur Auerbach, CPA, CGMA is an independent tax consultant located in Atlanta, Ga., specializing in tax consulting and estate and financial planning for individuals and closely-held businesses.

Six Concerns the Department of Labor Has With Employee Benefit Plans

Chris Rouse, CPA

In 2008, I did an article for *Current Accounts* that discussed issues the Department of Labor (DOL) was having with employee benefit plan (EBP) audits performed by Georgia firms and outlined steps The Georgia Society of CPAs was taking to assist firms in improving the quality of EBP audits. While those steps have improved performance on EBP audits, recent communications from the DOL show that the CPA profession still has a ways to go.

During the recent GSCPA Employee Benefit Plan Conference, the DOL shared their most recent findings on their review of a national sample of EBP audits, including some Georgia plans, which show that audits continue to not meet the DOL's expectations. These shortcomings are not only important to the DOL, but also reflect that the profession is under-serving EBP clients. Serving EBP clients should be the focus of the firm and from there the profession can improve its standing with the DOL too.

Key focus areas the DOL is concerned about in regards to performance by EBP auditors are:

1. The Firm's System of Quality Control and Leadership. The commitment to quality does not always seem apparent in the audit work performed. The tone at the top from the firm's owners and supervisors, and exhibiting an attitude of excellence to staff, is the underpinning to ensure quality service is being provided to clients. The "fix" is intuitive, so I won't belabor it.

2. Understanding the Plan's Internal Control. The DOL wants plan governance to know if there are weaknesses in the internal controls,

particularly relating to the proper handling of participants accounts, and they expect auditors to be knowledgeable in audit standards related to reporting weaknesses in internal controls to management. We often short-change our real understanding of our client's internal control because we assume there are no internal controls, or that they are not important. This is just not the case. Employees are arguably the greatest asset of a business, and businesses must have processes in place to make sure the asset is being protected. Being alert for ways clients can do it better is also key to excellent client service.

3. Relying on Specialists. Too often, appraisals of companies with Employee Stock Ownership Plans (ESOPs) are fatally flawed, and the participant data and management's assumptions used by the actuaries of defined benefit plans are incomplete or inaccurate. In many instances, management is relying on the auditor and the auditor is wrongly relying on client's management. Management representations are not audit evidence until they are corroborated. Specialists include other auditor's examinations of service organizations. An auditor needs to understand the contents of the SOC 1 report and the effect it has on the client's internal controls and the scope of the audit.

4. Testing Participant Accounts. The key focus for the DOL and the reason Employee Retirement Income Security Act (ERISA) requires plans to have an audit is to test participant accounts to ensure they are properly handled. The work called for in the Employee Benefit Plan Audit and Accounting Guide for 401(k)

Plans centers on five matters:

- A. To ensure that all participants that are eligible are in the plan and those not eligible aren't.
- B. To ensure participant contributions are handled in accordance with the plan document, i.e. not only is the percentage contributed correct, but that the percentage is applied to the correct compensation.
- C. To ensure a participant's investment elections are handled in accordance with their instructions.
- D. To ensure that the income earned on the investments owned by the participant is properly recorded.
- E. To ensure that distributions are correctly handled. Performing procedures to make sure these objectives are met serves the interests of both the plan sponsor and plan participants.

5. Testing Investment Valuations. The issue here is about testing the hard-to-value stuff, i.e. Levels 2 and 3 investments. This is particularly relevant in defined benefit plans and ESOPs, where it is more likely that level two and level three investments are present. Under GAAS, an auditor cannot just rely on the broker's or insurance company's statement of fair value.

6. Party-in-Interest Transactions. An auditor should make sure plan management handles transactions with parties-in-interest in accordance with DOL regulations. Serious consequences occur for not handling them properly, and it is up to you as the auditor to make sure your clients handle these transactions properly.

The DOL is not the only group who has found quality issues in EBP audits. The Peer Review Program has also found the same type shortcomings on EBP audits. Jennifer Poff, GSCPA's director, peer review, recently authored an article

in *Current Accounts* that outlined some of the steps the AICPA is looking at to make sure audits are truly serving the public interest, including increased external monitoring and oversight. The AICPA recently introduced the Enhanced Audit Quality (EAQ) Initiative as a response to audits of non-public entities not meeting the expectations of the users of audit services. More information on the EAQ Initiative can be found at www.aicpa.org/InterestAreas/PeerReview/Pages/EAQ.aspx.

Over a decade ago, Congress decided that auditors of public companies were not doing an adequate job and created the Public Company Accounting Oversight Board (PCAOB) to oversee those audits. If the profession does not start meeting the expectations of the DOL and others, the same situation could potentially happen with nonpublic company audits. As a profession, CPAs need to work together to meet and exceed the expectations of the DOL, other groups and most importantly the clients that are being served. Bon Auditpetite!



IN BRIEF

Audits continue to not meet the Department of Labor's expectations.

The DOL is concerned with areas such as quality control regarding audit work performed, awareness of internal controls of the client, proper transactions with parties-in-interest.

AICPA recently introduced the Enhanced Audit Quality Initiative as a response to audits of non-public entities not meeting the expectations of the users of audit services.

Chris Rouse, CPA, is an audit director at Windham Brannon, PC, where he serves as concurring review partner for many employee benefit plan audits. He has served on several GSCPA, AICPA and DOL committees, task forces and councils related to EBPs, and is a frequent speaker at EBP seminars and training courses.

How the CFO Can Be a Trusted “C-Suite” Adviser

Don Minges, MBA

Many people reading this headline are probably puzzled. Of course, the CFO should be a trusted “C-Suite” adviser. Sadly, this is not always true. The CFO should be the person senior executives and other management personnel consult on important business matters. We can describe the effective CFO with these qualities: trust, insight, and a bias for action, among others. Let’s discuss these three.

Building Trust

To be trusted, a person must be trustworthy. Many people believe others will trust them if they are consistently honest. However, trust requires more. For others to consider you trustworthy, you must be honest, candid and reliable.

Honesty

We all understand honesty. When we communicate, it must be the truth. Of course, this does not prevent honest people from having credibility issues. A person can say what they believe to be true and still lose credibility due to faulty reasoning, bad information or an encounter with someone with a different belief system. For example, scientists calculate the earth is about 4.54 billion years old. Some biblical scholars believe the earth’s age is about 6,000 years. Regardless of which way you think, people with the opposite viewpoint may not respect your thought process.

Candor

Candor requires communicating openly and honestly about issues affecting others and includes openly admitting our own mistakes and limitations.

Leaders admit that they are vulnerable and that they are not perfect. The high performing CFO wants others to ask for

their help, and they volunteer to help before someone asks them. They offer and accept apologies without hesitation and do not hold back. Politics belong in Washington, D.C., not in the office.

Candor includes making sure that you clearly convey the right message and that others fully understand you.

Reliability

No matter how truthful and candid we are, people will not trust us if we are not reliable. Reliability requires us to deliver what we promise, when we promise. Being reliable requires discipline. Many accountants have good intentions, but are too overwhelmed to meet their commitments.

If the CEO asks you to do all the difficult challenges that no one else can, you must have earned his or her trust.

Trust sets us apart. Trust is reciprocal. One way to be trusted is to trust others. Say, “I trust you to do your best on this, if you need help or have questions, please call me. I am comfortable with your expertise. I thank you in advance.” When you trust others, they are well on the way to trusting you. Tell others, “I am here to help you become more successful – that is my role.”

Insight

In many organizations, the CFO has the best understanding of how the various business functions fit together. We see everything in the organization, and sometimes forget we



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are unique in this respect. Most people only see their own department or their individual silo. They are not aware of the impact their actions may have on other departments, functions or locations, because they often lack that information. All of those things are in the purview of the CFO. The effective CFO is a teacher; we teach and explain what actions in department X have on department Y and vice versa. Teachers are patient. Teachers communicate. Effective teachers smile.

Bias for Action

Some people perceive the CFO as someone who always says, “No.” Salespeople sometimes refer to finance as “The Sales Prevention Department.” If someone asks the CFO to approve seven different requests, and hears “No” seven times - they believe they will always hear “No.”

In business, decisions are not usually black and white. There are ways to sell to a customer with a bad credit rating. Find a way to test a manager’s idea without betting the company. The best, effective CFO figures out ways to say “And.”

People do not like to work with someone who always says no—it is that simple. Create options, because alternatives

are great. Would you go into a restaurant that only had one choice on the menu? Do you prefer restaurants with numerous options and choices? Burger King became successful by allowing you to, “Have it your way.” It takes courage, creativity and effort to say, “And,” effectively. A CFO should have courage and be creative. Teammates help one another and seek ways to move the organization ahead.

Conclusion

You can and should be the one person that every leader comes to with issues. Embrace this as a sincere compliment on your skills and leadership.

IN BRIEF

The high performing CFO wants others to ask for their help, and they volunteer to help before someone asks them.

One way to be trusted is to trust others.

The effective CFO is a teacher; we teach and explain what actions in department X have on department Y and vice versa.

Don Minges, MBA is a fractional CFO who works in diverse industries at various development stages. He has experience in profitability enhancement, strategic planning, venture capital, mergers and acquisitions, consulting, turnarounds, economic forecasting, cost accounting and financial analysis. Don has experience raising equity for several growing firms and has invested equity capital into promising businesses and can be reached at don@executiveeducationInc.com.

What Do You Want to Learn Today?

Jennifer Oleksa

Electronic devices are everywhere. Adults and children alike have some form of a device at their fingertips, whether it is a phone, tablet, or computer. And, everything is designed to be mobile these days. You can do just about anything from anywhere, including earning CPE. You can attend a seminar on your tablet or laptop from the beach. Who wouldn't want to do that?

Businesses are trending towards the online learning model that companies, such as Lynda.com, have had in place for years. The ability to receive high quality, skills-based learning is in high demand with professionals wanting to further their expertise. And now with the news that LinkedIn acquired Lynda.com last month, the marketplace of online learning will evolve once again.

Online learning is one of the fastest growing products GSCPA offers its members. Not only does it help you further your desire for life-long learning and competency-based models of education, you can advance your knowledge in a variety of convenient ways. What do you want to learn today? Power up your device and see what's available. It's that easy.



*locations across
the state*



seminars



conferences



live streams

Live Stream

GSCPA's Live Stream continues to grow and give you the opportunity to receive the same excellent content from our education events as those attending in the classroom, but allows you to join from the comfort of your home or office. Shot in clean HD video, GSCPA live streams and webinars allow you to enjoy top-notch CPE from your home or office using your computer, tablet or mobile device. You can also submit questions to the instructor and chat with other attendees virtually, giving you the opportunity to become a part of the live audience and have real-time interaction. GSCPA has over 90 available live stream events scheduled for 2015.

Webinar

Webinars are presentations delivered in real-time with audio and PowerPoint slides via the Internet. These offerings are typically one to two hours in length. Participants can submit questions to the instructor and chat with other attendees conveniently from their remote location.

GSCPA-produced webinars are presented throughout the year to get information to you quickly about hot topics and issues facing



*on-demand
sessions*

the CPA profession. GSCPA also partners with ACPEN, CPA Crossings and Surgent McCoy to offer a wide variety of content.

Members Benefit from GSCPA CPE

GSCPA recognizes that continuing education is crucial not only to advance you as an accounting professional, but also to improve the profession as a whole.

- Top-quality offerings upgrade your knowledge
- Convenient options fulfill annual requirements for keeping your CPA license up-to-date
- Hot topics taught by thought leaders of the profession
- Catalog of events includes an extensive range of subject matter
- Time and distance are no longer obstacles to you in obtaining the CPE you need and want

On-Demand

Because On-Demand events are previously recorded presentations from webinars, conference sessions and seminars, they are available to you 24/7. This allows you to learn at your own pace. Select a course and begin when you want. Start and pause when needed and finish within one year of the purchase date. GSCPA offers over 400 on-demand sessions on a continual basis.

The Georgia Society of CPAs continues to aggressively pursue learning channels to help members gain competency and be more successful every day.



IN BRIEF

Online learning is one of the fastest growing products GSCPA offers its members.

Through live stream attendance, you can submit questions to the instructor and chat with other attendees virtually.

On-Demand sessions are available to you 24/7 to allow you to learn when, where and how you choose.

Visit olc.gscpa.org to register or for more information.

Jennifer Oleksa is the director, education and training for The Georgia Society of CPAs. She is primarily responsible for the development and implementation of a continuing education and professional development program that serves diverse customer needs. Jennifer and her team identify and assess not only timely curriculum, but also new methodologies, technologies and trends in adult learning, scanning the environment to ensure that GSCPA professional development offerings are relevant to members.

Your Final Log Off: Estate Planning for Your Digital Assets

Stephen M. Worrall

As more and more families replace the infamous box of photos in the attic with digital photos, videos and real-time memories hosted online, many are left wondering, “What happens to these accounts when I die?” It’s a legitimate question that estate planning attorneys and financial advisers find themselves having to answer for clients who wish to pass their “digital assets” down to the next generation.

Digital assets are electronic records that may be stored locally or online. Examples include images, video, music and documents. For estate planning purposes, digital assets refer to intangible personal property—any non-physical items stored on a computer, phone, hard drive or online. A password may be required to gain access to the assets; for example, an email, social media or online bank account.

The value of digital assets cannot be underestimated. That value may be emotional – photographs or documents – or economic, such as blogs and online financial accounts. A survey published by McAfee found that our digital devices hold an estimated \$35,000 of value on average.¹ Topping the charts are irreplaceable personal memories, photos and videos, at an estimated \$17,065 in value.

After death (or even incapacity), it is important for the user’s fiduciary to be able to (1) manage the principal’s digital assets; (2) copy or delete digital accounts from an entity that stores the principal’s digital assets; (3) access digital assets, including bypassing any authentication method; and (4) distribute remaining digital assets to intended beneficiaries.

Legal obstacles exist that can thwart the fiduciary’s ability to perform those important tasks. There are federal laws

such as the Computer Fraud and Abuse Act of 1984² and the Stored Communications Act,³ which make it criminal to access digital accounts if that access violates the user agreements. A number of states have passed digital access legislation (Connecticut, Idaho, Indiana, Oklahoma, Rhode Island, Virginia, and Nevada). There is an effort to create a uniform law to be enacted by the states. The Uniform Fiduciary Access to Digital Assets Act⁴ authorizes access to digital assets by an executor, conservator, agent pursuant to a power of attorney, and trustee, and provides that the fiduciary has same power as original account holder (no more/no less).

Additional hindrances may exist in the terms of service of the various online providers. User agreements typically prohibit access by anyone other than the person who opened the account. Several providers, though, have begun creating specific policies designed to assist in permitting a fiduciary to access and control the content of a deceased or disabled user’s account.

Google now has a tool they refer to as the “Inactive Account Manager.” With it, you can control what happens when you stop using your Google Account.⁵ Users can set a timeout period for their account, choose 10 trusted contacts to be notified if their account becomes inactive, and choose if they would like their data to be shared with them. This affects all of the Google platforms (Google Plus, Gmail, YouTube, Google Drive, etc.).

Facebook has created a “legacy contact” feature. This feature, rolled out in February, allows an owner to name an “heir” of their profile, should they pass away. Until the creation of the legacy contact feature,⁶ loved ones of the deceased could only request that the profile be

“memorialized,” the profile was viewable and people could continue to post messages, but it did not allow loved ones to manage the account.

That’s all changed with the legacy contact feature, which basically allows you to name who you want to manage your account if you die. This person will have access to friend requests, pictures and how content should be displayed. Or, a user now has the option to let Facebook know that they want their account permanently deleted upon their passing.

Users can access this new feature by going into their Facebook Settings, choosing the Security option and then navigating to the Legacy Contact option at the bottom of the page.

So what can a trusted adviser do to assist a client in making sure their digital assets are covered? Clients should be advised and instructed on these five steps⁷ to create a digital estate plan:

- **Step 1:** Make inventory lists of your digital assets and how to access them.
- **Step 2:** Find a safe place to store this information
- **Step 3:** Name a “digital executor.”
- **Step 4:** Write out instructions for what should happen to your digital assets after you die.
- **Step 5:** Consider whether you want to post a final message online.

Digital assets are a very real part of our lives now and it’s something we need to plan for like any other asset we own.

Whether you create formal instructions as part of your estate plan or whip up a DIY compilation of your accounts and give it to someone you trust, make sure someone knows what you have, where to find it and how to preserve it if something unexpectedly happens to you.



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¹ <http://www.thedigitalbeyond.com/2014/07/how-much-are-your-digital-assets-worth-about-35000/>

² 18 U.S.C. § 1030

³ 18 U.S.C. § 2701 et seq.

⁴ <http://www.uniformlaws.org/Act.aspx?title=Fiduciary%20Access%20to%20Digital%20Assets>

⁵ <http://support.google.com/accounts/answer/3036546?hl=en>

⁶ <http://www.facebook.com/help/1568013990080948>

⁷ <http://www.nextavenue.org/article/2012-05/5-steps-creating-your-digital-estate-plan>

IN BRIEF

For estate planning purposes, digital assets refer to intangible personal property—any non-physical items stored on a computer, phone, hard drive or online.

Legal obstacles exist that can thwart the fiduciary’s ability to access and manage the principal’s digital assets.

Creating an inventory of your digital assets and naming a digital executor are a few steps toward creating a digital estate plan.

Steve (Stephen M.) Worrall helps parents of minor children plan for the unthinkable, from a parent’s perspective. He is the senior estate planning, probate and adoption attorney at The Manely Firm, PC, with offices in Marietta, Atlanta, Canton, Lawrenceville and Savannah. He is an experienced wills, trusts and estate planning attorney, probate lawyer and adoption attorney in Marietta, Ga.

The Tangled Tangible Property Regulations: The Greatest Relief and the Greatest Dangers

David D. Aughtry, Brett W. Beveridge, and John W. Hackney

Without a single vote by an elected official, the 60 pages of triple-column, small-print, new repair regulations rewrite a vast body of law and tax accounting principles. Every business with significant depreciable asset schedules needs to determine — for its 2014 taxable year — if its existing repair expense vs. capitalization method comports with the method demanded by the regulations. If the existing method deviates, then those businesses must determine how to make the change. To be safe from what some have postured as the “use-it-or-lose-it” rule under the allusion in the repair regulations to Treas. Reg. § 1.1016-3, businesses facing a material change — and in many instances, substantial savings — should (i) file a Form 3115 application for consent to an accounting method change, (ii) scrub old depreciable asset schedules to extract a (hopefully favorable) Code Section 481(a) adjustment that captures previously capitalized items that can now be expensed, and (iii) make the elections essential to the particular business.

Small taxpayers and those with minimal amounts of depreciable assets seem to face compliance costs that dwarf any benefits under the new rules. In the category of “what goes around, comes around,” the Service recognized that it faced a tsunami of Forms 3115 and issued Rev. Proc. 2015-20, which allows taxpayers with modest assets or gross receipts the option of adopting the new rules without the expense of filing a Form 3115. Saving that expense, however, costs the taxpayer certain rights. So, when should I file a Form 3115, and when should I rely on the Rev. Proc. 2015-20 exemption?

The analysis starts with the traditional rules that apply to accounting method changes. Section 446(e) generally conditions a change in accounting method on the taxpayer obtaining the consent of the Commissioner prior to the change. As a change in accounting method often results in duplication, Section 481(a) requires an adjustment to taxable income on Form 3115. That adjustment eliminates any double counting of income or expense. The regulations define a change in method of accounting quite broadly: that phrase includes not only a taxpayer’s overall method of accounting but the “the treatment of any material item used” in such method. Treas. Reg. § 1.446-1(e)(1)(ii) (a). The same regulations expressly encompass within a method change both (i) depreciation where an item was previously expensed, and (ii) expensing an item previously depreciated. Treas. Reg. § 1.446-1(e)(2).

A business need only file a Form 3115 if its current method does not conform to the new regulations. Taxpayers with a small amount of assets may not need a change in method of accounting because they (i) already use a method that substantially complies with the new regulations (such as expensing items below an acceptable de minimis threshold) or (ii) never adopted a method. Taxpayers with material assets will probably need to file a Form 3115 to adopt the new regulations.

Taxpayers with significant assets should consider using the new regulations as an opportunity to harvest deductions sitting in their fixed asset schedules. If a taxpayer’s old

capitalization policy conservatively addressed repair costs compared to the new rules, the taxpayer can file a Form 3115 to adopt the new rules and obtain a favorable Section 481 adjustment deducted entirely in 2014, the year of change. For example, consider a taxpayer who treated a building as a unit of property and capitalized costs such as the replacement of 30 percent of the building's wiring for its electrical system. Under the new regulations, such costs could be expensed. Treas. Reg. § 1.263-3(k)(7), Example 20. Further, taxpayers with substantial depreciable assets can look at asset retirements and dispositions for possible tax savings. For example, if a business previously kept depreciating elevators after they were retired and replaced, then the business may now reap a significant tax benefit from changing its method and making a partial disposition election to deduct the cost of the retired property. Treas. Reg. § 1.263-3(k)(7), Examples 30 and 31.

As a Valentine's gift to small businesses, the Service issued Rev. Proc. 2015-20 on February 14, 2015 to stem the flood of Forms 3115 the Service expects to receive. That procedure excludes businesses with less than \$10 million in (i) assets or (ii) average gross receipts for the prior three years. These small taxpayers receive an automatic change without filing a Form 3115. Not filing a Form 3115, however, comes at the price of losing the guaranteed protection against prior-year audits on the repair versus capitalization issue. Additionally, the taxpayer cannot make a Section 481(a) adjustment to deduct any prior costs that have been capitalized in the past but could now be expensed. For taxpayers with few assets, little taxable income, or net operating losses, Rev. Proc. 2015-20 may be a convenient alternative to the burden of filing a Form 3115 and calculating a Section 481(a) adjustment.

Finally, beware the unintended loss of elections. All taxpayers who file a Form 3115 or who choose to follow Rev. Proc. 2015-20 must still make annual elections, such

as the safe harbors for de minimis costs (up to \$5,000 per item or invoice where the taxpayer follows that method on an "applicable financial statement"), routine maintenance safe harbor, and, for specially defined small taxpayers (i.e., \$10 million or less in average gross receipts with buildings that have tax basis less than \$1 million), expensing certain building improvements. See Treas. Reg. §§ 1.263(a)-1(f)(5), -3(i), and -3(h). These elections must be made each year. Filing a Form 3115 or following Rev. Proc. 2015-20 generally does not constitute any election other than electing to follow the core regulation method.

In sum, businesses with significant, material depreciable assets may find substantial tax savings by adopting the new regulations through a Form 3115 and making the appropriate elections. Companies with modest assets or taxable income may find Rev. Proc. 2015-20 an easier alternative, but even these companies still must make the elections they need.



IN BRIEF

Every business with significant depreciable asset schedules needs to determine if its existing repair expense vs. capitalization method comports with the method demanded by the regulations.

Small taxpayers and those with minimal amounts of depreciable assets seem to face compliance costs that dwarf any benefits under the new rules.

All taxpayers who file a Form 3115 or who choose to follow Rev. Proc. 2015-20 must still make annual elections, such as the safe harbors for de minimis costs, routine maintenance safe harbor, and expensing certain building improvements.



GSCPA Annual Convention

June 21-25, 2015 | Sandpearl Resort | Clearwater Beach, Florida

The Georgia Society of CPAs Annual Convention will be held June 21-24, 2015 in Clearwater Beach, Florida. The convention is a fun-filled, four-day event allowing attendees and their families and guests the opportunity to mix and mingle and meet new friends.

Networking opportunities abound with a casual Opening Reception and Dinner on Sandpearl's beautiful beachfront lawn overlooking the white sands and the Gulf of Mexico, dine around opportunities on Monday evening, optional activities such as a catamaran tour, deep sea fishing and golf on Tuesday morning. You will have plenty of time to explore the area on your own or with fellow attendees. CPAs are encouraged to take advantage of the **11.5 hours of CPE** being offered on topics including professional issues, tax, technology and financial planning. On Monday morning, plan to participate in the **Annual Business Meeting** where you will hear what your Society has accomplished over the past year and what the plans are for the upcoming year.

Annual Convention promises something for everyone while providing the opportunity to network, explore a new area and relax on one of the most beautiful beaches in the United States. We look forward to seeing you in Clearwater Beach!

Annual Meeting - Monday, June 22

GSCPA's Annual Meeting is open to all members in attendance. Don't miss the chance to hear about what YOUR association has accomplished over the past year and what's in store for 2015 as we welcome our new Chair of the Board, Lowell Mooney, CPA.

Highlights

- Join us on the beachfront lawn for the **Opening Reception and Dinner** overlooking the wide white sand beaches and the clear waters of the Gulf of Mexico.
- Try one of four delicious restaurants during **dine arounds** on Monday. The restaurants offer everything from fresh seafood, to steak, to authentic Italian cuisine.
- Visit **Clearwater Marine Aquarium**, home of Winter, the star of the movie Dolphin Tale.
- Participate in a **catamaran tour**, **golf** or **deep sea fishing** during one of Tuesday morning's optional excursions.

TO REGISTER: Visit ac.gscpa.org

Dine Arounds

Join fellow attendees for a fun evening of networking while enjoying the local fare. Participants are responsible for their own transportation to and from the restaurant and their own bill. Preregistration is required.

Crabby Bills – *crabbybills.com*

A Florida tradition serving fresh seafood in a casual environment overlooking the water. Family friendly with a laid back feel, this restaurant is a true beach eatery.

Island Way Grill – *islandwaygrill.com*

Located on the harbor in Clearwater Beach, this restaurant offers fresh seafood, sushi and steaks. Most of their fish is caught by their own fleet and brought directly to the table. A complimentary shuttle will be available to take attendees to and from the hotel.

Cesare – *cesareatthebeach.com*

Offering the finest homemade pastas, steaks, fresh seafood and other Italian favorites, Cesare's provides guests with the opportunity to visit Italy while at the beach.

Palm Pavilion – *palmpavilion.com*

Since 1926, the Palm Pavilion has served visitors and tourists alike. Right on the beach, the restaurant serves steaks, chicken, ribs, burgers and of course fresh, delicious seafood. The deck has live music 7 days a week and a great sunset view.

Optional Activities

Golf – Bardmoor Golf & Tennis Club – *bardmoorgolf.com*

Play on the same course as Arnold Palmer, Payne Stewart, Fred Couples and Tom Kite when you tee off on beautiful Bardmoor. The course was renovated in 2003 and was home to the PGA/LPGA JcPenney Classic for many years. The cost includes greens fees, boxed breakfast and transportation to and from the course.

Catamaran Tour – *kailanicat.com*

LIMIT TO 40 PEOPLE, NO EXCEPTIONS. Sail on a catamaran for two hours off the coast of beautiful Clearwater Beach, Florida. Enjoy the views and relax while keeping an eye out for dolphins and other sea life in the crystal clear ocean water.

Deep Sea Fishing – *queenfleet.com*

A four-hour excursion on one of the best deep sea fishing fleets in Clearwater Beach with two hours of fishing time, participants will fish for grunts, sea bass and the occasional grouper and/or kingfish. If you have never fished before, deckhands are available to help throughout the trip. The cost of the tour includes rod rental.

Schedule of Events 11 hours of CPE

SUNDAY, JUNE 21 (2 HOURS OF CPE)

1 – 5 p.m.	Registration
1 – 5 p.m.	Exhibits Open
2:30 – 4:10 p.m.	Top Five Issues Facing CPA Practitioners - Marshall Gunn, CPA
6 – 10 p.m.	Opening Reception and Dinner

MONDAY, JUNE 22 (2 HOURS OF CPE)

7 – 9 a.m.	Breakfast Buffet
7 a.m. – 12 p.m.	Exhibits Open
8:30 – 9:30 a.m.	Annual Business Meeting
9 – 11 a.m.	Spouse/Guest Activity – Clearwater Marine Aquarium
9:45 – 11:15 a.m.	Professional Issues Update - Tommye Barie, CPA (AICPA Chair)
12 – 6 p.m.	Explore Clearwater on your own
6 – 8 p.m.	Past Presidents/Chairman Dinner
6:30 p.m.	Dine-Arounds
9 – 10 p.m.	Hospitality Reception

TUESDAY, JUNE 23 (3 HOURS OF CPE)

7:30 – 9 a.m.	Breakfast Buffet
9 a.m.	Optional Activities: Catamaran Tour, Deep Sea Fishing
1:30 – 4 p.m.	Exhibits Open
2 – 3:20 p.m.	Tax Update - Arthur Auerbach, CPA
3:20 – 3:30 p.m.	Break
3:30 – 4:50 p.m.	Peer Review What You Need to Know Chris Rouse, CPA
5:30 – 9:30 p.m.	Kids Club (ages 5-12)
6 – 9 p.m.	Chairman's Reception and Banquet
9 – 11 p.m.	Hospitality Reception

WEDNESDAY, JUNE 24 (4 HOURS OF CPE)

7:15 – 9 a.m.	Breakfast Buffet
7:15 a.m. – 12 p.m.	Exhibits Open
8:30 – 9:45 a.m.	Strategies for Improving Cash Flow - Keith Zonts
9:45 – 10 a.m.	Break
10 – 10:50 a.m.	Tech Talk with the Tech Ninja - Calvin Wong
10:50 – 11 a.m.	Break
11 a.m. – 12:15 p.m.	It Wasn't On My Calendar - William G. Cummings, CPA
12:15 p.m.	Adjourn

What Your GSCPA Membership Means to You

In today's fast-paced business environment, your associates and allies can enhance your network, help you take charge of your career, and broaden your knowledge base. The effect of a collection of like-minded people is much greater than you as just one person. Finding connections and nurturing them is just as important in professional settings as it is in personal relationships. With the strength of affiliation and collaboration in mind, The Georgia Society of CPAs is both honored and proud to be called the "Home of the CPA profession in Georgia."

You are one of more than 20,000 CPAs in Georgia, and what better way to showcase your affiliation with and commitment to the CPA 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.

The Georgia Society of CPAs values your partnership and looks forward to advancing you as well as the CPA profession in the coming year. 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. No one sums up the value of GSCPA membership better than current GSCPA members. Here's what a few current GSCPA members have said over the last year about the value of their GSCPA membership.

"Simply put, I would consider my GSCPA membership to be one of the best decisions I have ever made regarding my career. I look forward to continuing my GSCPA experience."

Lisa Killinger-Farmer, CPA, 15-year member

Top Notch CPE

"Continuing education means different things to different people. It all depends on what you're doing and what you need from the education. The Georgia Society recognizes my need for options and solutions."

Rich Hlozek, CPA, 11-year member

Advocating for the CPA Profession

"Knowing that The Georgia Society has on the ground representatives that carry the message and voice of the CPA profession gives me gratification and demonstrates GSCPA's dedication to protecting and promoting the credential I worked so hard to earn."

James L. Underwood, CPA/PFS, CFP, 38-year member

A Partner Fighting for Your Interests

"For me, advocacy is more than providing a better legislative and regulatory environment for the profession, it is in everything GSCPA does for me as a member, from answering my call to planning for the future."

Ian Waller, 12-year member

Developing Connections

"As a new member, I recently attended a local GSCPA event. I couldn't have felt more welcomed by my fellow GSCPA members. Many took the time to talk to me personally about the personal and professional aspects of being a CPA and offered their encouragement. It feels good to be a part of such a dynamic group."

Cami Townsend, first year member

These are just a few of the ways GSCPA works to make sure that your membership is both valuable and beneficial and reinforces your pride in the accounting profession.

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, or call the Member Services Department at 800-330-8889, extension 2986.

The Georgia Society of CPAs

GEORGIA FEDERAL TAX CONFERENCE

Presented by the Georgia Federal Tax Conference, Inc.



June 11-12, 2015

Cobb Galleria Centre, Atlanta, Georgia

Event Code: 13075

The Georgia Federal Tax Conference is designed for experienced tax professionals and features up-to-date changes in tax law and the latest from Washington, D.C. in anticipation of future developments.

The Conference focuses on one specific area of knowledge each day. Day one will discuss trending topics related to estate planning. Day two will delve into income tax issues.

To register visit www.gscpa.org or call 404-504-2985 or 800-330-8889, Opt. 3

Tired? Over-worked?
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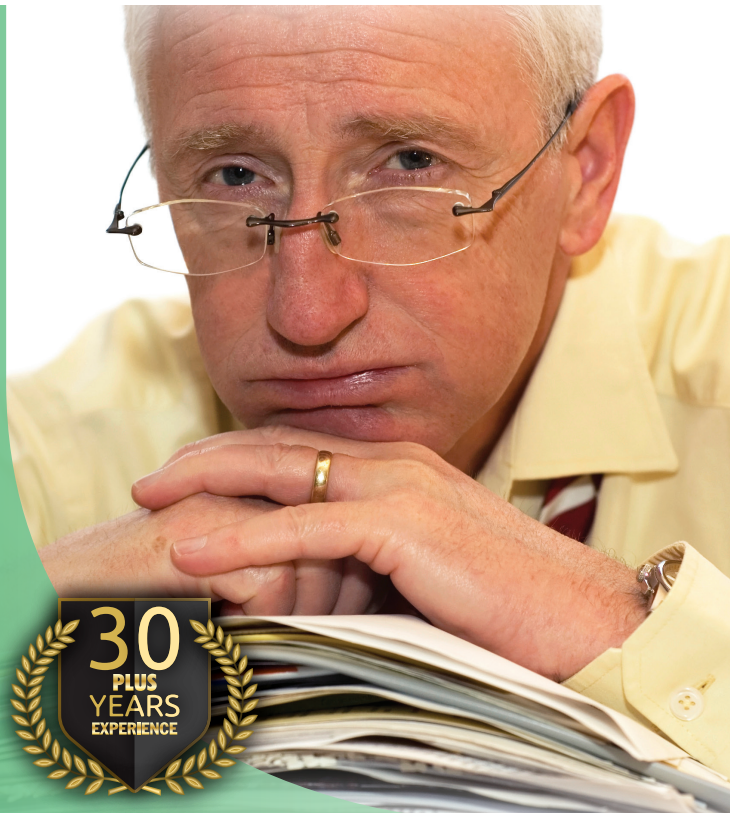
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Member News

PROMOTIONS & NEW POSITIONS

Moore Colson recently announced the winners of the firm's coveted Peak Award for the third trimester 2014.

The winners were **Christina Quinones**, tax manager and **Brad Parker**, business assurance manager.

Trinity Accounting Group is pleased to announce **Sharon Elliott** has been admitted as a shareholder.

Bridges & Dunn-Rankin, LLP announces the admission of **Kyle K. Bartleson** as a partner in the firm.

Nova Wealth Management is pleased to announce the addition of **James Underwood, CPA, CFP®** to the firm.

Draffin & Tucker announces the following promotions:

In the firm's Albany office:

- **Stephen Harrell** has been promoted to manager in the firm's healthcare practice.
- **Matt Atkins** has been promoted to supervisor in the firm's healthcare practice.
- **Valerie Bowron** has been promoted to supervisor in the firm's healthcare practice.
- **Tim Hunter** has been promoted to senior accountant in the firm's healthcare practice.
- **Jeremy Sapp** has been promoted to senior accountant in the firm's healthcare practice.
- **Shawn Boltin** has been promoted to associate II in the firm's commercial practice.
- **Katie Hatcher** has been promoted to associate II in the firm's healthcare practice.
- **Paul Mattox** has been promoted to associate II in the firm's healthcare practice.

In the firm's Atlanta office:

- **Jeremy Wilson** has been promoted to partner in training in the firm's tax practice.
- **Jake Kitchens** has been promoted to supervisor in the firm's healthcare practice.
- **Katie Williams** has been promoted to supervisor in the firm's healthcare practice.
- **Darin Lane** has been promoted to senior accountant in the firm's healthcare practice.

AWARDS AND HONORS

Kay Proctor of **Thigpen, Lanier, Westerfield & Deal, CPAs**, recently was awarded the Association of Certified Fraud Examiners' Certified Fraud Examiner credential.

FIRM NEWS

Atlanta-based accounting firm, **Moore Colson**, has been named one of Atlanta's 2015 Top Workplaces by the *Atlanta Journal-Constitution*.

IN MEMORIAM

We sincerely regret the loss of the following members and extend deepest sympathy to their family and friends.

Robert J. Clark, Marietta, Ga.

Theo H. Brescia, Stone Mountain, Ga.

CHAPTER NEWS

As of December 5, 2014, The Georgia Society of CPAs Waycross Chapter has been voluntarily dissolved. If you have any questions or concerns, please contact GSCPA's Member Services Department at 404-504-2986.

GSCPA communities

You're Invited to Join

GSCPA Interest Communities provide the latest news and up-to-date information in the practice areas that are most important to you. Benefits of community membership include tailored e-newsletters, specialized Web pages and private LinkedIn groups. There are 10 different communities to choose from, you can join as many as you like, and the best part — **it's FREE!**

Join a community today to make the most of this free GSCPA membership benefit.

"If you haven't signed up yet to receive GSCPA's Interest Community e-newsletters, then you're missing out! The newsletters are a must-read for me every week; the articles are always relevant and useful!"

ASHLAN E. NORWOOD *Treadwell, Tamplin & Co., LLP*



**Accounting &
Auditing**



**Business &
Industry**



**Estate &
Financial
Planning**



**Fraud & Forensic
Services**



Health Care

"

As a CPA outside of metro Atlanta, GSCPA's Fraud and Forensic Services Community provides me with a greater understanding of the latest news on state developments and investigations."

DWAYNE GALLUPS, CPA *H. Dwayne Gallups CPA LLC*



**Information
Technology**



**Management
of an Accounting
Practice**



Real Estate



Taxation



Young CPAs

"

I enjoy the community newsletters. Each one provides a quick recap of the news most pertinent to our profession, as well as keeps me up-to-date on recent developments – especially during busy season."

KELLY L. DAVIS, CPA *Fowler, Holley, Rambo & Salvey, PC*

To join one or more GSCPA Interest Communities, visit communities.gscpa.org or call 800-330-8889, ext. 2986.

Summer CPE Essentials: Beat the Heat with these Summer Seminars

May 29, 2015

2015 Current Practice Issues and Update for Audits of Employee Benefit Plans

Event Code: 05015 | GSCPA Learning Center, Atlanta
Employee benefit plan audits continue to present a myriad of practice issues and risks that practitioners must address. This advanced seminar will give you the skills to identify and address difficult and complex accounting, auditing and financial reporting issues in EBP engagements; stay current on ongoing regulatory initiatives, findings and actions; and effectively perform and document required auditing procedures.

June 9, 2015

Excel Tips, Tricks, and Techniques for Accountants

Event Code: 06003 | Brenau Downtown Center, Gainesville
Excel is the accountant's tool of choice for analyzing and reporting financial data, yet most accountants have never received any formal Excel training. This highly acclaimed seminar contains hundreds of tips, tricks, and techniques to improve your productivity and accuracy. Six major topic areas will be covered utilizing sample data files: productivity tips and tricks, formatting essentials, customizing Excel, formula-building essentials, three-dimensional workbooks, and printing essentials.

June 9-10, 2015

Annual Accounting and Auditing Workshop**

Event Code: 06002 | GSCPA Learning Center, Atlanta
Are your accounting and auditing skills up-to-date and on-par with industry standards? Be sure with this comprehensive, two-day seminar that updates you on the latest accounting, auditing, compilation and review, and other professional standards. Materials include practical applications of the topics covered to help you understand and apply the standards to real-life scenarios. With the rate of change in today's regulatory environment, you must stay current on all of the topics impacting the profession. Your clients are counting on you.

June 12, 2015

Governmental and Not-for-Profit Annual Update (YB)**

Event Code: 06008 | GSCPA Learning Center, Atlanta
Change is inevitable and at times overwhelming if you are unprepared. Ensure you are current in governmental and nonprofit accounting and auditing. This update is designed to prepare you for the latest accounting and auditing developments affecting governments and nonprofits.

June 15, 2015

AICPA Peer Review Program Advanced Course**

Event Code: 06009 | GSCPA Learning Center, Atlanta
This advanced seminar is designed for experienced reviewers who want to heighten their peer review skills. It is an excellent follow-up to the AICPA's training course, How to Conduct a Review Under the AICPA Practice-Monitoring Program. Curriculum includes an analysis of the latest AICPA Peer Review Program Standards, as well as materials focused on the areas of peer review guidance which reviewers find the most problematic.

June 26, 2015

Auditing Employee Benefit Plans**

Event Code: 06012 | Cunningham Center, Columbus
Master the fundamentals of auditing employee benefit plans in accordance with AICPA and EBSA standards and avoid the problems that are often encountered. Explore the accounting and auditing requirements unique to employee benefit plans. Designed to give you an understanding of requirements and audit procedures related to defined contribution, defined benefit, and health and welfare plans to help you more effectively plan and carry out your audit.

July 14, 2015

A&A for Tax People Who Hate A&A

Event Code: 07005 | Central Georgia Technical College, Macon
Designed for tax practitioners who primarily prepare income taxes, focus will be placed on current events and changes coming from the FASB, ASB, ARSC and other accounting and auditing standard setting bodies. Emphasis will be placed on presenting these topics in such a way as to make them understandable, informative and meaningful. At the end of the day, participants may actually decide A&A is not so bad.

**Qualifies for \$30 per day AICPA discount

SEMINAR FEES - Member vs. Nonmember**

(One Day Fee/Two Day Fee)

	Early	Standard	Late
Members	\$255/\$365	\$315/\$425	\$355/\$465
Nonmembers	\$355/\$465	\$415/\$525	\$455/\$565

**Exceptions apply. See specific event information for more details.

To Register: Visit www.gscpa.org or call 404-504-2985 or 800-330-8889, Opt. 3

Current Accounts Self-Study

The self-study tests in the back of every issue of *Current Accounts* are a quick and easy way to earn two hours of CPE, and each test is available for two years.

For example, the January/February 2014 self-study test will be available until February 29, 2016. Take each test as you receive the issue or wait and take them all at one time. For more information on how to take a test, see page 36.

March/April 2014 - Self-Study Test # CA40304

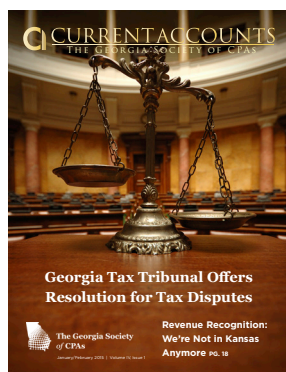
May/June 2014 - Self-Study Test # CA40506

July/August 2014 - Self-Study Test # CA40708

September/October 2014 - Self-Study Test # CA40910

November/December 2014 - Self-Study Test # CA41112

January/February 2015 - Self-Study Test # CA50102



< March/April 2015 Issue
Self-Study Test # CA50304

May/June 2015 Issue >
Self-Study Test # CA50506



Available Live Streams

Live stream allows you to attend the conference or seminar from your home, office, or anywhere you can access the Internet. You view the sessions in real-time as part of the audience and have interaction with other attendees via chat areas.

2015 Nonprofit Conference

May 15, 2015 | LS13032

2015 Current Practice Issues and Update for Audits of Employee Benefit Plans

May 29, 2015 | LS05015

Excel Macros - Part I

June 11, 2015 | LS06007

Do It Yourself Business Intelligence

June 11, 2015 | LS06006

Governmental and Not-for-Profit Annual Update

June 12, 2015 | LS06008

2015 Real Estate Conference

June 19, 2015 | LS13001

GAAP for Industry

June 26, 2015 | LS06013

Surgent's Individual and Financial Planning Tax Camp

July 14, 2015 | LS07008

Affordable Care Act: Tax Favored Health Care Plans After the ACA

July 15, 2015 | LS07009

Identity Theft: Preventing, Detecting, and Investigating

July 22, 2015 | LS07018

Compliance Auditing: Questions from the Field

July 27, 2015 | LS07023

Revenue Recognition: Mastering the New FASB Requirements

July 29, 2015 | LS07025

REGISTER AT
CASELFSTUDY.GSCPA.ORG

REGISTER AT
OLC.GSCPA.ORG

BUSINESS SERVICES

Local northeast Atlanta CPA firm with international affiliations has an immediate opening for a Senior Tax Associate or Tax Manager. We offer a diverse client base and challenging work, including several niche practices. We have a reputation for providing the highest quality service to our clients. Our firm environment is professional and balanced, providing immediate opportunities for the right candidate. We offer an excellent compensation package commensurate with experience. Candidate should be a CPA with a minimum of 4 years' experience. Submit resume's to flywheelmatt@gmail.com

International Tax Services. Specialist available for expert review of your firm's individual/business international filings and tax returns. Experienced international tax planner/preparer/reviewer. Consulted major tax software provider on the implications of international tax laws on tax forms and calculations. Contact Anthony Malik, Point Square Consulting; (770) 845-9289; tony@pointsquaretax.com.

Firm-on-firm reviews: Fowler, Holley, Rambo and Stalvey, PC is interested in performing your firm's peer review. Personnel have 32 years review experience. Contact Richard Stalvey for qualifications, references, and a proposal. P.O. Box 1887 Valdosta, Ga. 31603; 229-244-1559.

Peer reviews for sole practitioners and small firms. We have the client base, technical skills, plus the understanding, to help your firm. Fifteen years of peer review experience with 150 firms ensures efficient work on engagement reviews. Contact Joe W. Kilpatrick or Steve Rea, Crescent Centre, Tucker. 770-455-8706 or jwkilpatrick@kilpatrickcpa.com, www.kilpatrickcpa.com

Successful transitions require experienced, confidential, professional services you can trust. This is what Akins Professional Brokerage provides. Specializing exclusively in the brokerage of CPA firms, we have no upfront fees. List your firm with a professional. Call David Akins, CPA, at (877) 277-0272. Visit our website at www.ProfessionalCPAbroker.com.

Business Valuations: Formal valuations, consulting services for CPAs/clients. Areas: Estate & Gift Taxes, Family Limited Partnerships, S Corp conversions: built-in tax gains, SBA 7(a) Valuations, Acquisition/Sale/Merger of Business. Contact Marvin T. Brown, CPA/ABV, CVA, Brown Valuation Group, for qualifications, references, and a proposal. 706-254-3134 or 770-447-1300.

IRS and State Representation. Attorney & CPA available to consult with your firm or your clients on IRS and state matters. Audit, appeal, collection or criminal matters including offers in compromise, bankruptcy discharge of tax and non-filers. Practicing in Atlanta since 1982. Call Jeffrey S. Gartzman, The Gartzman Law Firm, PC; 770-939-7710; jeff@gartzmantaxlaw.com.

OFFICE SPACE/ACQUISITIONS

We are an established North Atlanta CPA firm growing through the merger or acquisition of accounting/audit/tax practices. Owner of the acquired firm may continue to work during and after a transition period. We are also interested in acquiring practice segments. Please respond to GSCPA File Box 456.

Multi-office Greater Atlanta CPA firm seeks to purchase practices of retirement-minded colleagues. Practices located in the Gwinnett, Dekalb, Henry and Fayette County areas are preferable. Our well-established firm is skilled at assimilating smaller CPA practices. Please respond to GSCPA File Box 121.

POSITIONS AVAILABLE

Come join us at Roberts DeWitt LLC. We are seeking to expand our team of CPAs, Accountants and Business Advisors with experienced tax professionals committed to client service and team work. We offer a pleasant, fun and dynamic work environment. Interesting, high-level, complex clients. Very competitive compensation package. Opportunities for advancement. Emphasis on professional education, training and self improvement. Flexible work schedules. An environment that fosters professional growth and technical expertise. And, we are centrally located near historic downtown Roswell. Positions currently available:

- Tax Senior
- Tax Manager
- Senior Tax Manager

We can be reached at 678-352-8258 (contact Marc Fialdini) or www.robertsdewitt.com. Resumes can be emailed to marc@robertsdewitt.com or faxed to Marc Fialdini at 678-278-1223.

North Atlanta/Perimeter Area CPA firm looking for an established audit manager/partner to take over and grow our audit practice. The firm currently performs approximately 25 audits. Need to have audit experience at the partner or manager level and preferably a client base which can be brought into the firm. Please respond to: lori@frickecpa.com or 770-216-2226.

PRACTICES FOR SALE

North Atlanta CPA firm with revenues exceeding 1 million looking for a smaller established CPA firm interested in an upstream merger and eventual acquisition over three to five years. The ideal situation is a one or two owner firm with revenues of \$200,000 to \$600,000 which would merge, and after a transition period, buy out the current sole equity owner. Please Respond to GSCPA File Box 456.

Atlanta North Perimeter area \$700,000 ... North GA/ Chattanooga area \$475,000 ... Marietta CPA \$1,450,000+ ... Canton area CPA \$600,000 ... Lenox-Buckhead CPA \$1,500,000 ... Asheville NC \$350,000 ... Chattanooga Downtown area \$550,000+ ... Tampa Bay area \$1,500,000+ ... Charlotte audit \$500,000+ ... Norcross area \$200,000+ ... Many others! Contact Leon Faris, CPA at Professional Accounting Sales. Tel 770-859-0859 or 800-729-9031, or visit our website at: www.cpasales.com Let our 30+ years of experience work for you.

Mail File Box Responses to:

GSCPA File Box _____

Six Concourse Parkway, Suite 800
Atlanta, GA 30328

Contact Us:

To place a classified ad, please contact
Andrew Lloyd, assistant manager, strategic relationships at alloyd@gscpa.org.

Current Accounts Self-Study Test

May/June 2015 | Test No. CA50506

How do you earn a quick two hours of CPE? Take the self-study test provided in each issue of *Current Accounts*. Simply 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.

**Please Note: All Current Accounts self-study tests are available for two years from the issue date.*

PRICING

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

ONLINE INSTRUCTIONS

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

PRINT INSTRUCTIONS

1. Detach the test insert from *Current Accounts*.
2. Take the test, recording your answers on the answer sheet by filling in the appropriate circle.
3. Complete the registration and payment information. Payment must be submitted with the test. Print clearly.
4. Mail this page, along with your payment, in an envelope to:
The Georgia Society of CPAs
Current Accounts Self-Study Test
Six Concourse Parkway, Suite 800
Atlanta, GA 30328
OR Fax to the CPE Department at 404-237-1291.

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.

ANSWER SHEET

- | | |
|--------------------|---------------------|
| 1. (a) (b) (c) (d) | 6. (a) (b) (c) (d) |
| 2. (a) (b) (c) (d) | 7. (a) (b) (c) (d) |
| 3. (a) (b) (c) (d) | 8. (a) (b) (c) (d) |
| 4. (a) (b) (c) (d) | 9. (a) (b) (c) (d) |
| 5. (a) (b) (c) (d) | 10. (a) (b) (c) (d) |

REGISTRATION INFORMATION

Full Name _____ Member # _____

Company/Firm Name _____

Address _____

City _____ State _____ Zip _____

Phone _____ Fax _____ 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 (required) _____

Name as it appears on card _____

Signature _____

ATTRIBUTION

The Self-Study Test is developed and written by **Lowell Mooney, PhD, CPA**, Professor of Accounting at Georgia Southern University.

Lynne Riley Takes the Reins as Georgia's New Revenue Commissioner

1. A primary goal of Georgia's new Commissioner of Revenue is

- A. Succession planning.
- B. Integrating the state's sales tax, income tax, and motor vehicle software systems.
- C. Removing the alcohol and tobacco licensing group from her division.
- D. All of the above.

2. One of the ways the Department of Revenue (DOR) hopes to appeal to the millennial generation is to

- A. Being more flexible with millennial employees to compete with the private sector.
- B. Making interactions with the DOR primarily web-based and digital.
- C. Establishing advisory councils to determine how the DOR can advance and modernize its technology and business practices.
- D. All of the above

3. According to the article, all of the following are DOR initiatives EXCEPT:

- A. Fraud prevention.
- B. Technology.
- C. Increased oversight of movie and film production companies doing business in Georgia.
- D. Simplified codification of all Georgia tax laws and regulations.

2015 Legislative Session – Bills Important to the CPA Profession

4. Haleigh's Hope Act

- A. Makes human trafficking illegal in Georgia
- B. Legalizes the growing and smoking of marijuana in Georgia
- C. Makes it legal for all Georgians of legal age to possess and use up to 20 ounces of cannabis oil
- D. None of the above

5. Until passage of House Bill 246,

- A. The Georgia State Board of Accountancy was a unit of the Georgia Secretary of State's office.
- B. There were significant differences between federal tax laws and Georgia tax laws.
- C. A non-CPA could say to a potential client, "Hey, I can give you the same assurances as that high-priced CPA because I follow the very same rules she does when performing audits."
- D. The state could not engage in deficit spending.

While You Were Away: Tax Updates from the 2015 Filing Season

6. Select the INCORRECT statement from the following:

- A. Taxpayers whose health care plan does not comply with the Affordable Care Act have until June 30, 2015 to transition to a conforming plan.
- B. The IRS now recognizes Bitcoin as legal tender and rather than treating it as property.

- C. Taxpayers can use prior year return information to verify their identify if the IRS notifies them that their identify had been compromised and that a return had already been file in their name
- D. The IRS is still insisting on stiff penalties for filing returns late.

Six Concerns the Department of Labor Has With Employee Benefit Plans

7. The AICPA believes the quality issues that have been raised concerning employee benefit plan (EBP) audits can best be addressed by

- A. Increased external monitoring and oversight.
- B. Establishing a governmental regulatory agency to oversee all EBP audits.
- C. Assigning EBP audits to the Public Company Accounting Oversight Board.
- D. Restricting EBP audits to Big 4 firms only.

How the CFO can be a Trusted "C-Suite" Adviser

8. Although the author did not define the acronym "CFO," it is safe to assume it is

- A. Chief Fire Officer.
- B. Chief Fiduciary Officer.
- C. Certified Financial Officer.
- D. Chief Financial Officer.

Your Final Log Off: Estate Planning for Your Digital Assets

9. Both Google's Inactive Account Manager and Facebook's Legacy Contact features

- A. Provide a user's tax preparer access to any and all of the taxpayer's electronic tax-related records.
- B. Provide a user's executor the same legal access to digital assets as the original account holder (no more/no less).
- C. Provide the ability for a user to donate his or her digital assets to any IRS-recognized charity.
- D. Provide users the opportunity to specify what will happen to their digital assets once their account becomes inactive.

The Tangled Tangible Property Regulations: The Greatest Relief and the Greatest Dangers

10. Select the INCORRECT statement concerning Form 3115, Application for Consent to an Accounting Method Change:

- A. Companies with modest assets or little taxable income may find Rev. Proc. 2015-20 an easier alternative to Form 3115.
- B. A business should file Form 3115 only if its current method does not conform to the new repair regulations.
- C. Regardless of the magnitude of their depreciable assets, taxpayers will find substantial tax savings by adopting the new repair regulations through a Form 3115.
- D. To eliminate any double counting of income or expense associated with changes in accounting methods, taxpayers must adjust their taxable income on Form 3115.

Are Not-For-Profits Ready for Change?

Kathryn M. Fletcher, CPA



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

Many of us work with or for entities in the not-for-profit arena or you may serve on a

not-for-profit board. Luckily for us, financial reporting for not-for-profits has remained relatively stable over the last 20 years. But with changes in endowment laws and the liquidity issues that arose during the recession, the Not-for-Profit Advisory Committee (NAC), an advisory group to the Financial Accounting Standards Board (FASB), began discussions regarding current not-for-profit financial reporting. In 2011, NAC provided their recommendations to FASB, which began the project to evaluate not-for-profit financial statements. After several years and numerous board meetings, FASB recently voted to issue a proposed accounting standards update.

Two Major Objectives

The financial reporting project includes two major objectives that will alter the way we think about not-for-profit financial statements. The first proposed change is to redefine net assets. Currently there are three classes of net assets: unrestricted, temporarily restricted and permanently restricted. The proposal will condense these into two new classes of net assets: with donor-imposed restrictions and without donor-imposed restrictions. At first glance, that doesn't seem too difficult to implement and seems more intuitive to the financial statement user. But with every change there are, as it has been said, "robust" disclosures to go along with the new classifications. I hope in the long run the additional disclosures will provide

useful information on how and when the resources (net assets) can be used.

The second major objective focuses on improving liquidity, financial performance, and cash flow information in the financial statements and notes. Without going into specific details, some of the proposed changes include requirements to present an intermediate measure of operations defined on the basis of a mission and availability dimension, report expenses by both nature and function, and include note disclosures of quantitative and qualitative information useful in assessing liquidity.

In addition, one of the proposed changes that I find interesting is the requirement to present a direct method statement of cash flows. This change most likely won't be an area of disagreement as the direct method more easily identifies the cash inflows and outflows as compared to the indirect method. The hesitation will be around the proposed reclassification of certain items on the statement of cash flows, such as cash payments to purchase or construct long-lived assets for operating purposes from investing to operating. Although the purpose of these category reclassifications is to more closely align the operating measure of the statement of activities to the operating section of the statement of cash flows, it will reduce comparability between not-for-profits and other sectors.

So What's Next?

Based on current discussions, the FASB Board will issue an exposure draft in mid-April 2015 and ask for public comments. I know you will all join me as we eagerly await the new proposed accounting standard and for the opportunity to review it in more detail and provide our comments to FASB.

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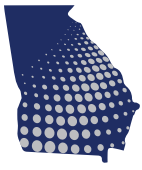
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