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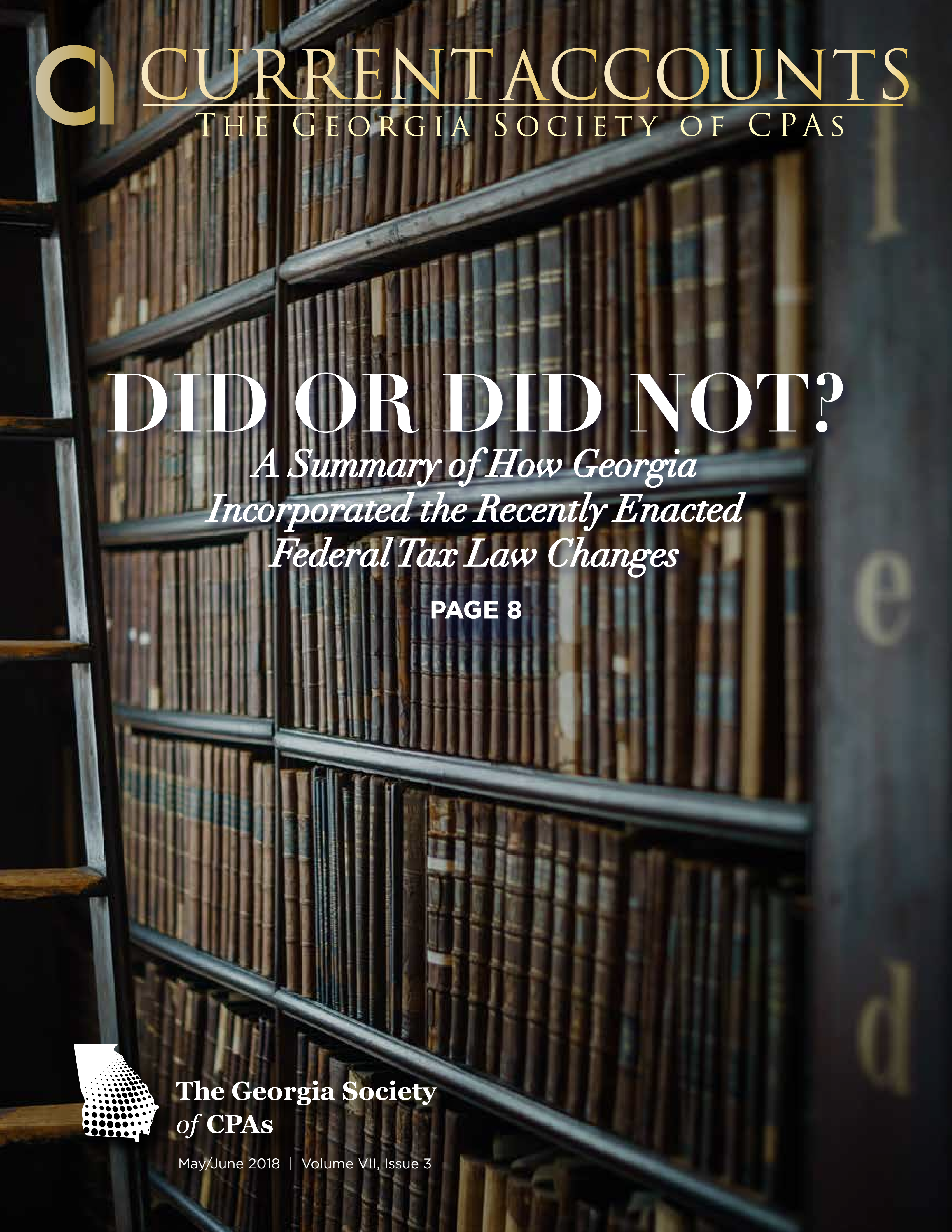

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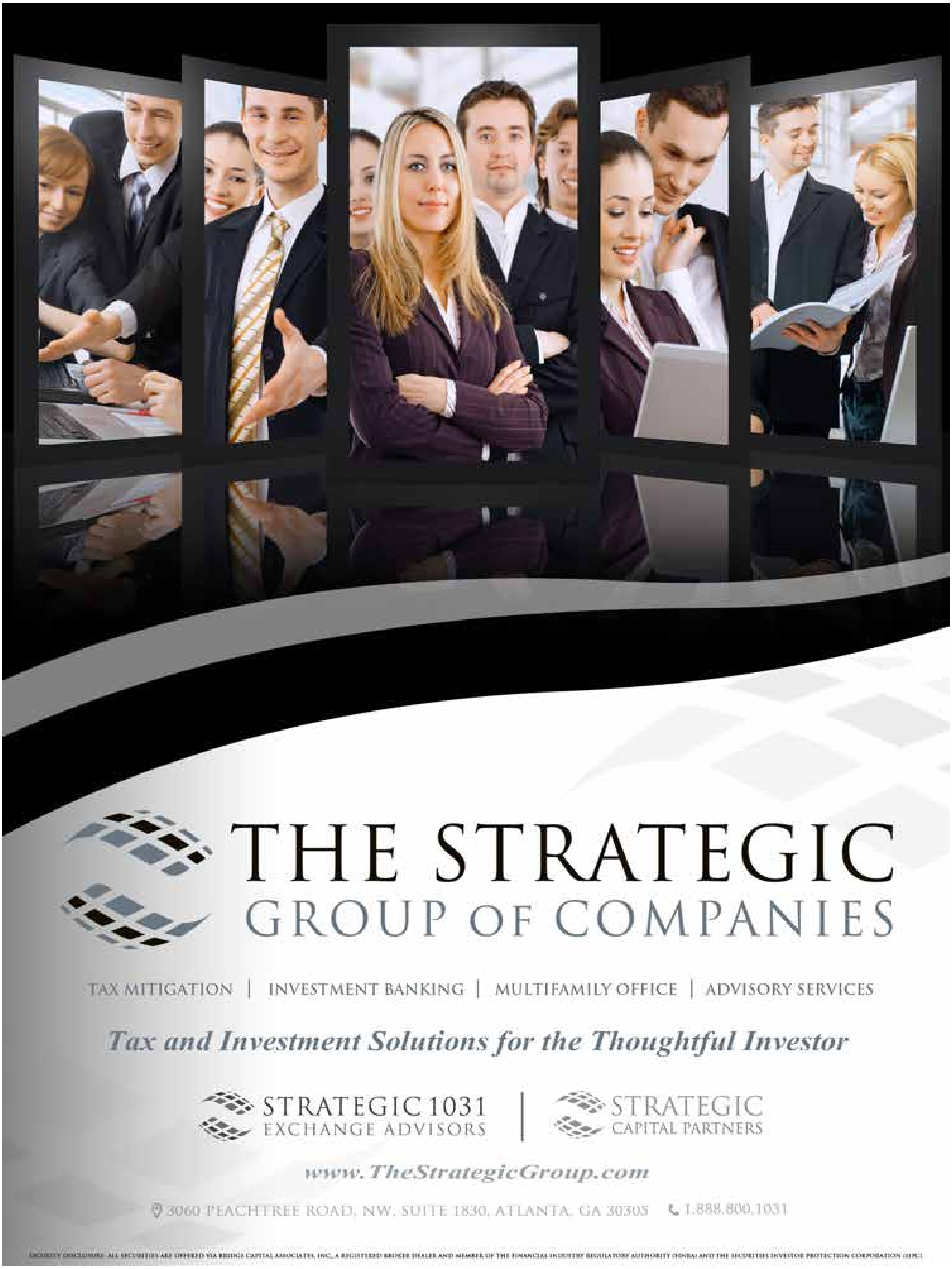
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CURRENT ACCOUNTS
THE GEORGIA SOCIETY OF CPAS

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Connecting Through Emotions

Boyd E. Search, CAE

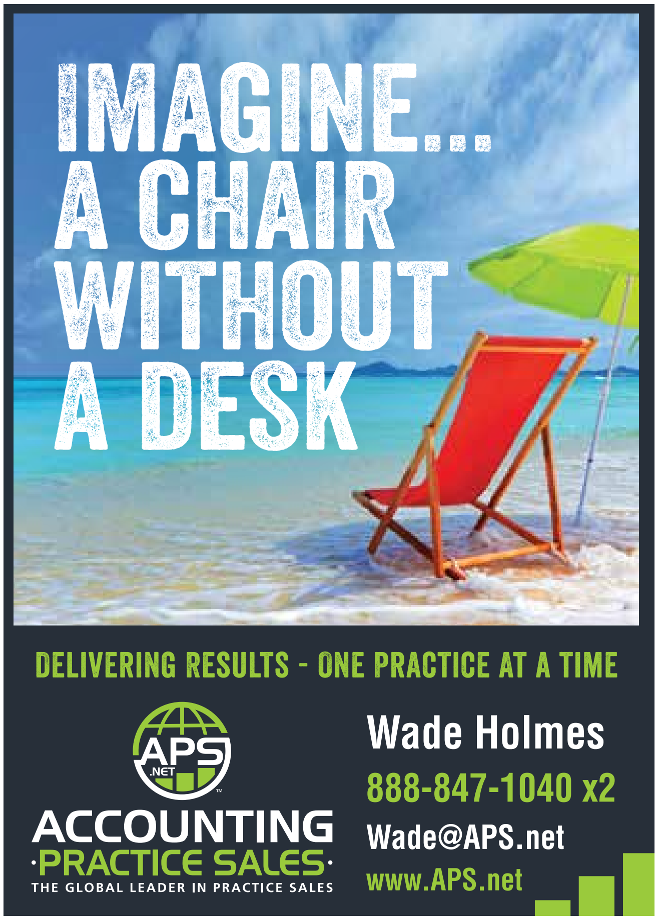
I have long been teased by friends, family, and co-workers for being a chronic over communicator, for which they get absolutely no argument from me. I have continually defended my penchant for doing so to ensure I am indeed connecting with people. "The single biggest problem in communication is the illusion that it has taken place." These wise words from George Bernard Shaw formed the foundation of my personal communication style.

Communicating is hard because as my friend, author and professional speaker Pete Margaritas, points out, emotions always trump logic. You will succeed or fail in connecting with your audience by how effectively you connect with their emotions. Far too often we see presenters – at conference sessions, in business meetings, or in casual pick-up meetings – use volumes of data and numbers to articulate a point. In doing so, they lose their audience in a tidal wave of complexity. Numbers are not in and of themselves bad, but they rarely stand on their own; they provide support to the message you are trying to convey.

For centuries, storytelling has been humanity's most effective way to share the past, inform the future, and build a culture of progress. Nowhere can communication fail more quickly than in the world of translating data into information with vision and outcomes, which is where you come in. Developing, improving, and fine-tuning how you tell stories is a surefire way to improve your business, family, and heck, life in general. Authentic storytelling is the key to gaining trust and recognizes the human aspect of your business. People relate to other people and are attracted to stories.

As a CPA I'm sure you often find yourself in more formal or corporate settings, and its in those places where numbers and nuance can collide and cloud vision and impede progress. We find ourselves trying to be unemotional, or dry in an attempt to "stick to the facts." However, it's in those moments when connecting through emotions becomes even more critical. Business communications do not have to be dry. Be genuine, and yes even creative; it is more essential than ever when transforming data into vision.

Whether your communication style is undeveloped, underdeveloped, or you consider yourself a seasoned professional, spending the time and energy to reshape your perspective and construct your own unique, strategic storytelling style will immediately pay dividends.



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Out With the Old

Rodney L. Chandler, CPA

I am currently surrounded by stacks and bags full of old clothes. My wife, Jill and I spent part of this afternoon trying on and sorting out everything in our closet. Both of us have gone through a middle of life course-correction, with the happy result that most of our clothes no longer fit.

Part of the closet process took us on a stroll down memory lane, as most of our clothes had been with us for a long time and through many adventures. Some shirts were a favorite. Our job seemed simple – sort the clothes into the ones that fit, the ones that need altering, and the ones that need to go. At least it sounded simple.

Our memories and our favorites complicated that simple task. My decisions were clouded by what I wanted to be true instead of more objectively assessing the truth. Even if a shirt was my favorite, even if it had served me well, even if it triggered good memories, if that old faithful shirt no longer fit and if it couldn't be altered to fit, then it had to go. Out with the old.

There is a place for such a periodic purging in each of our lives. Those changes could be as simple as choosing a new software solution or deciding to relocate office space. It could be more complex, like deciding to pursue a new business venture, making personnel changes, or deciding to change jobs or cities. All those different decisions, though, call for the same framework – first you need an honest assessment of the current reality; you need to combine that assessment with a vision for where your future best lies; and then you need the courage to change.

We all face these decisions in our personal and professional lives. Our profession faces the same decisions. Our 'closet' is full of the things that brought us to where we are as the CPA profession. We must continually assess if those items still 'fit' the future as we best foresee it. We must be willing to make the hard decision to change if change is called for. It is much easier said than done, of course.

It is certain that technology, regulation, and other external factors are changing business and our profession. It is less certain how well equipped each of our 'closets' are to face and adapt to those changes. The Georgia Society of CPAs monitors these forces and the changing business environment and is a willing and effective leader in helping our profession make the honest assessments of where we are, where we are going, and what the best tools are to get us there. The real trick is to – at the same time – recognize where and when change is needed, but also remain steadfast and true to our guiding principles that have provided a firm foundation for generations.

On the subject of "out with the old," this is my final message as chair of GSCPA. Serving in this capacity has been my privilege, and it has been the source of great professional satisfaction and personal joy. I offer my heartfelt thanks to GSCPA's professional staff who do their work so well and with true passion for the Society. I offer my deep gratitude to the Board of Directors who volunteer their time and significant talent to serve. I offer my sincere thanks to each member for belonging to the Society and for supporting the society and the profession. As we all face these exciting and changing times, we can all be smarter and stronger if we continue to choose to face them together.

DID OR DID NOT?

A Summary of How Georgia Incorporated the Recently Enacted Federal Tax Law Changes

by Cecily VM Welch, CPA, CFP®, PFS

The Governor signed House Bill 918 into law on March 2, 2018. This bill impacts Georgia tax law for tax year's beginning January 1, 2017 and incorporates changes to the Internal Revenue Code that were impacted by the budget deal, Bipartisan Budget Act of 2018, signed on February 8, 2018 and by the Tax Cuts and Jobs Act of 2017 signed into law on December 22, 2017. This article summarizes some of the key areas Georgia conforms and does not conform to these new tax laws.

The below bulleted list is just a subset of the changes to Georgia tax law. We highly recommend tax professionals read House Bill 918 in its entirety on their own. With all the new tax law, at the federal and state level, there is significant commentary to be found on various websites, newsletters from CPA firms, etc. However, because there aren't regulations to support most of the new tax law yet and because states haven't yet vetted the details, it's is imperative for tax professionals to check primary sources themselves.

Below are some of the key areas that Georgia <u>conforms</u> to the new IRS laws

☐ 7.5 percent Adjusted Gross Income (AGI) floor for medical expense deduction for 2017 and 2018. From 2019 forward, the AGI floor will be 10 percent. Note, recall prior year's tax law had different AGI floors for medical deductions differed based on the taxpayer's age. That is no longer the case.

☐ Net Operating Losses (NOL) can no longer be carried back. Instead, NOL's can now be carried forward indefinitely. Recall, historically Net Operating Losses couldn't not be carried forward more than 20 years. There are exceptions for farm losses and certain insurance company losses, but basically, carrybacks aren't allowed any more.

☐ When a Net Operating Loss is incurred, it's deduction is limited to 80 percent of the taxable income. There are exceptions for certain insurance company net operating losses, but in general, NOLs can no longer fully eliminate all of a taxpayer's taxable income for the year.

☐ The amount that can be taken for Section 179 deduction follow federal law. For 2017 the Section 179 deduction is limited to $510,000 and the phase out is $2,030,000 and for 2018 the limit is $1M and the phaseout is $2.5M.

☐ Entertainment expenses are no longer allowed as business deductions.

☐ Employers can no longer deduct the cost of providing qualified transportation fringe benefits.

☐ Georgia adopted the provisions for disaster relief, meaning to claim a casualty loss deduction, the taxpayer must be in a Federally designated disaster area.

☐ Like-kind exchanges are now limited to real estate. Personal property assets can no longer be exchanged (i.e. intangibles like licenses and patents, vehicles, machinery and equipment, etc.)

☐ Note, in House Bill 918 Georgia initially did not adopt provisions of IRC Section 951A dealing with the exclusion of Global Intangible Low Tax Income (GILTI). But later in the legislative session, SB 328, was signed and effectively did adopt those provisions. Now GA follows Federal as it relates to GILTI.

☐ Georgia also increased its standard deduction, starting in 2018 the standard deduction has doubled to $4,600 for single taxpayers, $6,000 for married filing joint, and $3,000 for married filing separate.

☐ Georgia has decreased its income tax rates, starting in 2019, the highest individual and corporate tax rate will be 5.75 percent (down from 6 percent).

☐ Similar to the federal changes, a significant portion of these law changes are set to expire on December 31, 2025.

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Below are some of the key areas that Georgia does not conform to the new IRS laws

☐ Although Georgia conforms to the amounts for the Section 179 deduction, it does not conform to all of the property types that it can be applied to. Georgia has not adopted Section 179 for certain real property (IRC Section 179(d)(1)(B)(ii) and 179(f)). Qualified real property as elected by the taxpayer. So although the following is applicable for Federal Sec 179, it is not applicable for Georgia, qualified real property eligible to include any of the following improvements to nonresidential real property placed in service after the date such property was first placed in service: roofs; heating, ventilation, and air-conditioning property; fire protection and alarm systems; and security systems.

☐ Georgia does not allow for the 20 percent qualified business income deduction, Section 199A for flow through entities as created by the Tax Cuts and Job Acts law.

☐ As with prior Georgia law, Georgia does not follow IRC Section 168K, meaning Georgia taxpayers do not get first year bonus depreciation (neither the 30 percent, 50 percent, nor 100 percent bonus depreciation rules.)

☐ Georgia has not eliminated personal exemptions, and the range for exemptions remains between $2,700 and $3,700 depending filing status. Although there had been speculation and bills introduced to change decouple from Federal, this didn't occur. Georgia taxpayers will still have to claim the same type of deduction they claim for federal (itemized or standard), but unlike the federal, in addition to this standard or itemized deduction, they also get to take a personal exemption for the number of people in their household.

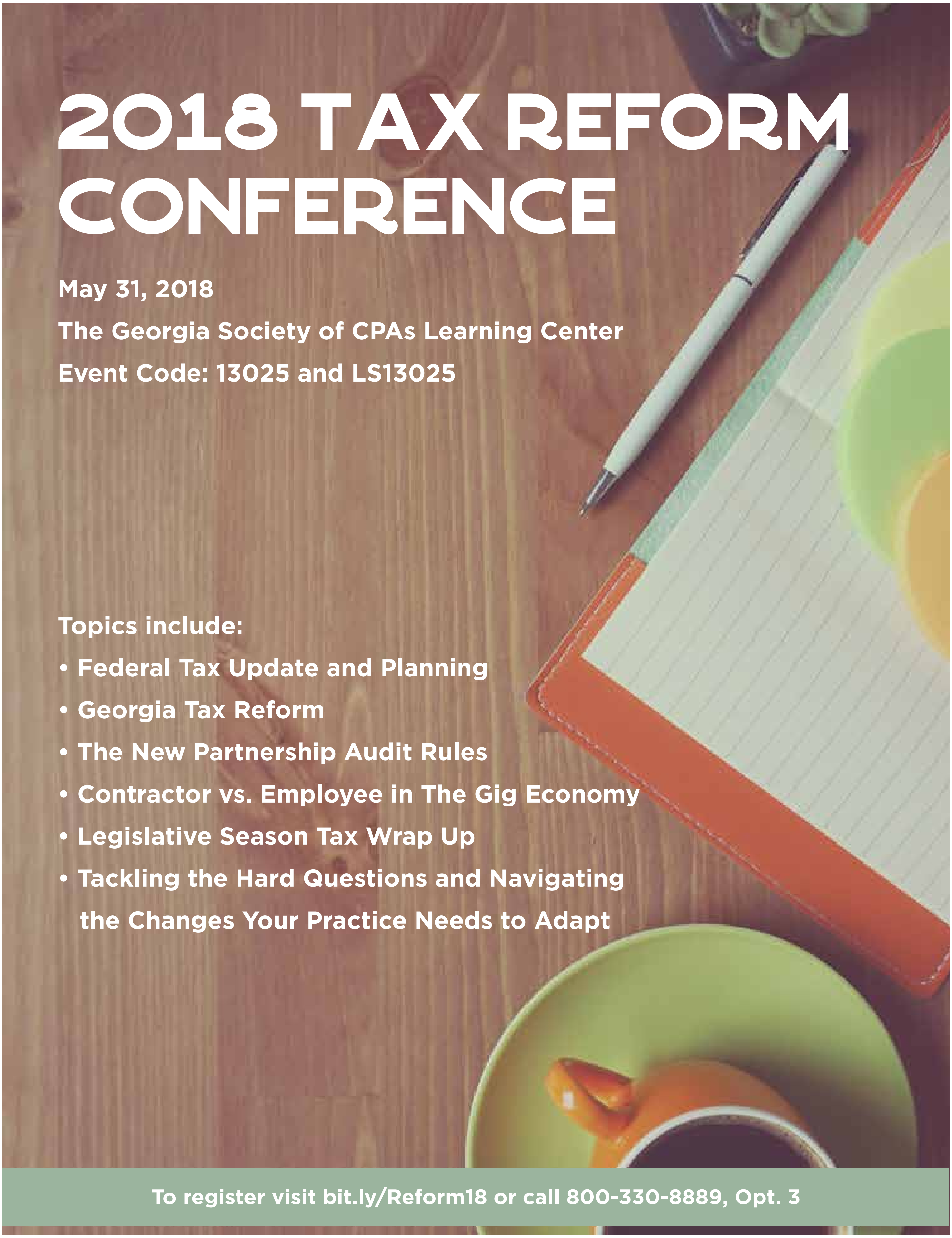
☐ The new federal tax law creates a formula to determine the amount of deductible business interest, this formula is commonly called the 30 percent limitation on business interest expense. Georgia did not adopt this law change. Thus, business interest expense deductibility for Georgia remains unchanged (Georgia follows the provisions of I.R.C. Section 163(j) that existed before the Tax Cuts and Job Act).

☐ Georgia taxpayers continue to get the full benefit of credits and incentives related to capital contributions. The new IRC Section 118, which deals with capital contributions and relates to changes in the way taxpayers account for governmental credits and incentives in their bases, wasn't incorporated in Georgia's tax law.

Historically, tax analysis by different firms had different ways of explaining a specific aspect of tax law and reading the various interpretations was helpful in determining your firm's position. However, for these latest tax law changes, it has been fascinating to see how the conclusions from these respective information sources oppose each other. For example, some communications have stated Georgia has a lower §179 threshold than Federal (it doesn't), some state meals with clients are no longer 50 percent deductible, while some state it's only meals at an entertainment venue that aren't deductible, etc.

Additionally, we have yet to determine how the Georgia DOR is going to interpret House Bill 918. And because there aren't regulations to support most of the new tax law, yet it's is imperative for tax professionals to check primary sources themselves. In conclusion, keep open communication lines with your clients and be prepared to explain why sometimes, the correct answer to their question is, "We just don't know yet."

Cecily VM Welch, CPA, CFP®, PFS is owner of Welch Financial Advisors, LLC. She graduated from North Carolina A&T State University with bachelor's degree in accounting and from University of Wisconsin with an MBA. She is a past subgroup chair on the IRS Advisory Council (SBSE SubGroup), and presently serves as the chairman of GSCPA's Tax Task Force.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10 Things Every CPA Should Know About Their Georgia Licenses* (*but were afraid to ask)

Paul Ziga, MBA, CPA

Like every extremely compliant CPA in the State of Georgia, I eagerly awaited my license renewal notification in October 2013. Unlike the previous 25 years, this renewal came with a new requirement to submit a Notarized Affidavit of Citizenship and a Secure & Verifiable Document (a driver's license for most of us). I complained like all my other CPA friends about this hassle, but I dutifully submitted everything, paid my fee and felt relief that I was good to go for the next two years. In the back of my mind however, I kept wondering why I didn't receive the paper license card we usually got in the mail from the Secretary of State's office and then proceeded to totally forget about it.

Fast forward to August 2014 and I find myself facing Julian Deal (the chairman of the Georgia State Board of Accountancy) and Sam Johnson (board member) at an interview for the position of executive director for the Georgia State Board of Accountancy (GSBA). The first thought in my head was, "Is this guy related to the Governor?" As they proceeded to explain how the GSBA was no longer under the control of the Secretary of State's office and was now a semi-independent Board administratively attached to the State Accounting Office, the second thought in my head was "now I know why I didn't get a license card when I renewed my license 10 months ago!"

Now, we get a nice plastic wallet-sized license card.

I've taken you down that little path of history for one purpose. We as CPAs know very little about what happens after we achieve the monumental task of becoming CPAs. That is, what is involved in maintaining our CPA license and how does the GSBA govern our license. The following will give you some high level (and hopefully quite simple and useful) information on items you need to know for keeping a clean and healthy CPA license throughout your career. The CPA license is not just an achievement, but a "life asset" that has value and must be protected.

1: Your email address is the primary method of communication from the GSBA.

Make sure the GSBA can contact you at the email address you look at most often since all notices are now sent via email. This is typically your personal email address and NOT your work email address. Believe it or not kids, you probably won't have the same employer your whole life or even for the next five years. I can't tell you how many people have ended up with a lapsed license because they left the firm they were working at and failed to notify the GSBA of the change. This is particularly true of CPAs whose first job is with a large firm and then leave within 2-4 years.

2: Playing the odds on not doing your CPE and getting audited is no longer a wise decision.

The Board enacted stiff fines and contracted with NASBA to perform six times the number of CPE audits than were performed just two renewals ago. The fine is $50 per credit hour infraction and the discipline becomes part of your PUBLIC record. As an example, if you did no CPE for the reporting period, your fine would be $6,800 and your discipline for that failure would be available to anyone who asked for it.

3: If you service clients while holding yourself out as a CPA, you are a firm.

Many individuals decide to "hang their shingle" out as a sole proprietor thinking that their CPA license is all they need to service clients. However, they are required to also have a firm license and must register within 60 days of starting that business in the State of Georgia. All initial firm licenses are applied for through NASBA (just like individual licenses) online at their website www.NASBA.org and the license must be renewed through the GSBA every other year by June 30 of even numbered years.

4: There are a lot of people behind the scenes fighting to protect your license.

Believe it or not, there are politicians and special interest groups that want to devalue the career asset you have worked so hard to cultivate. Fortunately, you have professional organizations such as The Georgia Society of CPAs fighting for the CPA designation to keep its value in the marketplace. You also have a strong Georgia State Board of Accountancy that along with the National Association of State Boards of Accountancy fights to keep our profession properly governed and regulated in the State of Georgia.

5: The GSBA is here to help you, not just be a pain in your backside.

One of the most important things I noticed when I took this job was that people were looking for a place to get their questions answered. The GSBA has a dedicated website at www.gsba.georgia.gov that provides many answers to the most frequently asked questions. We update the website well in advance of upcoming renewals and events that may affect you or your license so bookmarking it is highly recommended. We also have a general email address at gsba@sao.ga.gov that will provide a relatively quick response to any question and is the preferred method of communicating directly with the office. We are an attached agency of the State Accounting Office and share office space and phone systems with them. Calling the office can sometimes be more difficult especially during a high-volume time, but we make every effort to respond.

6: Renewing your license is easy and will only get easier.

Individual CPA licenses are renewed in a totally online process. However, if you fail to answer a question on your renewal form appropriately, your renewal will enter a pending status. Additionally, you must submit the required documents which are asked for in the renewal instructions. Certain of these must be reviewed before your license will be renewed. If you see that your renewal has not been completed and you were expecting it to be, contact the GSBA office to determine what is still required. For firms, you still must upload the renewal application and peer review documents. Hopefully, future renewals will become less manual. Stay tuned.

7: Hey, my license lapsed! That's no big deal is it?

Only if you are interested in breaking the law and incurring hefty fines. It is unlawful in the State of Georgia to practice public accountancy without an active license (individual or firm). When a license goes into lapsed status, it is the same as having NO license at all. When the Board brings a case against you for being unlicensed, there are automatic fines of $1,000 for individual licenses and $2,000 for firm licenses per renewal period, respectively.

8: Speaking of license status, can I go into a retired or inactive status?

No, Georgia only has the active and lapsed status for individual CPA licenses. The only relief in the requirements is an exemption from CPE starting with the reporting period you turn 70. Many CPAs in Georgia continue to keep their license active even after they retire. The Board has chosen not to adopt "inactive" or "retired" statuses due to the compliance and enforcement issues that would be involved. The same is true for firms, but there are additional statuses of facility closed and superseded (when a firm continues in another version with many of the same partners).

9: I need to make changes to my license record, what is required?

For individuals, most requests simply require an email from you to the GSBA mailbox. Complex items like legal name changes also require a PDF copy of the official document. For firms, all requests should be made on firm letterhead and signed by an owner/partner and then emailed in PDF to the GSBA mailbox.

10: Be ethical. Practice within the rules and regulations of the profession in Georgia. Do the right thing. Just say no. Keep your nose clean.

Enough said.

Paul Ziga, MBA, CPA has been the executive director of the Georgia State Board of Accountancy since September 2014 and has been an active Georgia CPA for 30 years. He holds a bachelor's degree in psychology from Emory University and an MBA with a concentration in accounting from Georgia State University. He started his career in the audit practice of Peat Marwick (KPMG), and spent the next 27 years in financial management in corporate Atlanta.

Partnership Audit Bill: What You Need to Know

Jonathan Horn, CPA, CGMA

On November 2, 2015, Congress enacted the Bipartisan Budget Act of 2015, Pub. L. No.114-74)[1], which made significant changes to the partnership audit rules set forth in the Internal Revenue Code of 1986, as amended (IRC). The regime is a new centralized partnership audit process that replaces the existing audit process previously enacted as part of the Tax Equity and Fiscal Responsibility Act of 1982, Pub. L. No. 97-248 (TEFRA). The new Regime is generally effective for taxable years beginning on or after January 1, 2018. It is expected that the first Internal Revenue Service (IRS) audits will not begin until 2020, and the IRS likely will not complete those audits until 2021 or later.

On March 23, 2018, Congress enacted the Consolidated Appropriations Act of 2018, Pub. L. No. 115-141[2], which contained technical corrections to these new partnership audit rules.

The new regime will centralize the ability of the IRS to audit, assess, and collect any determined underpayment directly from a partnership at the entity level, subject to certain available elections. Previously, the IRS could audit the partnership directly, but the IRS could only assess and collect from each individual partner.

Under the regime, there is an opt-out election available under IRC section[3] 6221(b) for partnerships with 100 or fewer partners that meet certain eligibility requirements. By default, after the IRS completes a partnership audit, a partnership will need to pay the additional tax at the highest statutory rate. There is a formal "modification" process, which allows the partnership to reduce the total payment based on type of partner, type of income and whether a partner elects to file an amended return (or equivalent) to pay their share of the tax due directly.

Alternatively, the audited partnership may elect to "pish-out" the audit results to its partners and this "push-out" procedure is available to all tiers of a multi-tier partnership structure. The "push-out" has the effect of imposing the payment obligation directly on the individual partners, similarly to the old TEFRA rules.

Each partnership must appoint a partnership representative to serve as the sole contact for the partnership in the audit with the IRS. The partnership representative will also have sole authority to make all decisions for the partnership relating to the new regime and any audit conducted under its rules.

The IRS has issued a series of proposed regulations on various aspects of these rules and temporary regulations are expected sometime in late summer or early fall.

1 Pub. L. No. 114-74 (11/2/15).
2 Pub. L. No. 115-141 (11/23/18)
3 All references herein to "section" or "§" are to the Internal Revenue Code of 1986, as amended, or the Treasury Regulations promulgated thereunder.

The Georgia Legislature recently enacted and the Governor signed H.B. 849, which aligns the assessment and collection procedures used by the Georgia Department of Revenue with the IRS's new centralized partnership audit regime. Practitioners should familiarize themselves with basis provisions of this new procedure as outlined below.

Similarly, to the federal regime, a designated state partnership representative will act as the single point of contact with the Department and have full authority to make all necessary elections and related decisions. By default, that person will be the federal partnership representative, although a partnership has the ability to designate a separate individual to act on their behalf with the Department.

Under the default rule, 90 days after a federal partnership audit is completed and all appeal rights have been exhausted, the partnership must file a "federal adjustments report" with the department, notify all its direct partners of their distributive share of the adjustments, and file amended composite and/or withholding reports along with payment of the additional tax due for partners included on those filings.

Direct partners who are not included on either an amended composite or withholding return and are themselves taxable partners (such as individuals, trusts and C corporations) must file their own amended returns and pay the additional tax within 180 days after completion of the audit (essentially 90 days after the partnership is required to notify them).

Partnership, continued on page 16

Direct partners who are themselves pass-through or tiered entities (such as another partnership or S corporation), as well as their direct and indirect partners will have until 90 days after the extended due date of the audited partnership's federal tax return for the year in which the audit was completed to fulfill their filing and payment requirements.

As an example, a federal partnership audit is complete, and all appeal rights have been exhausted as September 1, 2020. The audited partnership must complete their notification to the state and direct partners, as well as file any required composite or withholding returns by November 30, 2020. The direct taxable partners must file their amended returns and pay the tax by February 28, 2021. All direct partners who are tiered entities and all indirect partners of the audited partnership have until December 14, 2021 to file the required returns and pay the additional tax.

The audited partnership, as well as any tiered partner, may elect to make a single payment to the department on behalf of all their direct and indirect partners using a process and calculation included in the legislation. The audited partnership must make the election and pay the tax with 90 days after the audit is completed and all appeal rights exhausted (November 30, 2020 in our example), any direct tiered partners have 180 days to do so (February 28, 2021 in our example) and any indirect tiered partners have until 90 days after the audited partnership's extended return due date (December 14, 2021 in our example) to make the election and pay the additional tax.

Subject to certain exclusions (such as the share allocated to partners who have previously filed amended returns during the "modification" period of the federal audit), the adjustments allocable to the direct partners of the electing partnership are divided into two categories. The federal adjustments allocable to corporate partners, tiered partners, non-resident individuals and fiduciaries, as well as any unrelated business income for exempt partners is apportioned and allocated to the state using the provisions in Georgia Code Section 48-7-31. The federal adjustments allocable to resident individuals and fiduciaries is allocated and apportioned 100 percent to the state. The total of those two amounts is then multiplied by six percent to determine the additional tax due from the electing partnership.

The legislation also updates and adds a number of key definitions related to federal audit adjustments, as well establish necessary guidelines for statute of limitations and assessment procedures when a partner or partnership fails to report or pay the additional tax resulting from a federal audit.

As a final note, practitioners should review both the details of the federal and the state changes to partnership audit procedures and have a discussion with their clients over likely revisions needed to partnership agreements related to these changes.

Jonathan Horn, CPA, CGMA is a senior manager for the AICPA's Tax Policy and Advocacy team. He staffs the International Tax Technical Resource Panel and the Partnership Tax Technical Resource Panel. He is responsible for the development and submission of comments to Congress, Treasury and the IRS, and developing alerts for members. Prior to joining the AICPA he was a sole practitioner for over 20 years, providing tax services to clients of all sizes from around the globe.

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How Does Tax Reform Affect the Financial Statement Audit?

Randy Shrum, CPA

The enactment of the Tax Cuts and Jobs Act (TCJA) is one of the most significant and impactful policy developments in many years and brings with it complex, wide-ranging ramifications in financial reporting. While the effect will vary significantly between companies, it is expected that implementing and accounting for the elements of tax reform will be a challenging exercise for both preparers and their auditors. The passage of TCJA has created disruption to the audit process and work expected for the 2017 financial reporting season. Being proactive in addressing the changes will be critical to easing the added burdens of the process.

It will be important for auditors to properly communicate to client management and audit committees about what to expect as a result of the new law. Preparers and auditors should learn about the significant changes and understand the impact these will have on reported balances, to help ensure tax balances are accurately accounted for in 2017 financial statements.

Auditing standards require an assessment of the overall risk of material misstatement to plan and perform an effective audit. TCJA has resulted in additional audit risk considerations to all preparers and their external auditors. Preparers should expect targeted audit procedures to address these additional risks and to provide audit evidence necessary to support these amounts. Auditors will be requesting detailed calculations and supporting documentation. Recommended audit procedures include ensuring the effective Federal tax rate on deferred income tax calculations reflect the changes in future tax rates from 35 percent to a flat tax rate of 21 percent as well as changes to taxation of foreign income and inquiring if valuation allowances reflect the upcoming changes which include limitations on interest expense. Proper planning will help prevent last minute audit surprises.

The internal control framework within a company will also be affected. Given the 2018 effective date for many of the proposed provisions, it will be critical that companies work to evaluate necessary changes to systems and processes to comply with new U.S. tax laws. Companies should assess necessary changes in their income tax accounting systems that are impacted by tax reform legislation. Companies will need to consider changes in processes, controls, data needs and systems. In addition, companies should ensure they have processes in place to monitor accounting developments and tax law (including expected guidance on areas of TCJA that are currently unclear).

Auditors will need to evaluate the design of these controls and walk through the operating effectiveness of such controls. Companies should revisit the controls they have in place to: identify tax law and accounting developments, assess the reliability of data used in the provision process, identify and monitor new deferred taxes, consider the reliability of deferred taxes, evaluate needed disclosures and assess tax positions taken, among other items.

Accounting guidance requires recognition of the tax effects of tax law changes in the period in which the law is enacted. As a result, companies have already begun to disclose the expected effects of the tax law change to investors and other users of their financial statements.

An example for such a disclosure is as follows:

> *During December 2017, the President of the United States of America signed into law the Tax Cuts and Jobs Act. Under this Act, maximum corporate tax rates were reduced from a rate of 35 percent to a flat tax rate of 21 percent. The law is generally effective for the tax years beginning in 2018, and therefore the Company's current tax liability will not be affected until the year ending December 31, 2018. There are other changes to the tax law that may affect the Company, but the magnitude of such changes has not been determined. The Company's deferred tax assets and liabilities have been revalued based on the future effective tax rate for the Company, which had the impact of reducing the net deferred tax asset/liability by $XXX.*

The SEC issued Staff Accounting Bulletin No. 118 after the new tax law was created to give SEC registrants the option of providing provisional accounting estimates related to the new tax law if they are unable to arrive at concrete answers. The Financial Accounting Standard Board's (FASB) staff said it would not object if private companies and nonprofits followed the guidance in the SEC bulletin.

In February 2018, FASB issued Accounting Standards Update (ASU) No. 2018-02, Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income (AOCI), which provides financial statement preparers with an option to reclassify stranded tax effects within AOCI to retained earnings in each period in which the effect of the change in the U.S. federal corporate income tax rate in the TCJA (or portions thereof) is recorded. ASU 2018-02 requires financial statement preparers to disclose a description of the accounting policy for releasing income tax effects from AOCI, and whether they elect to reclassify the stranded income tax effects from the TCJA. This ASU is effective for all companies for fiscal years beginning after December 15, 2018, and early adoption is permitted.

An example for such a disclosure is as follows:

> *Included in the current year adjustment to deferred income tax expense is a net deferred income tax adjustment of $XXX related to the adjustment of deferred tax assets associated with AOCI. The Company has elected to early adopt the accounting policy to reclassify the stranded tax effects from AOCI to retained earnings in accordance with ASU 2018-02.*

Even financial audits of nonprofit organizations will be affected. The TCJA includes provisions to equalize the treatment between nonprofits and taxable corporations. This has created new excise tax on excessive compensation and certain fringe benefits, effective January 1, 2018. Most nonprofits should now expect to file an IRS Form 990-T, resulting in potentially new unrelated business income tax liabilities and disclosures which will impact their financial reporting.

Randy Shrum, CPA is a principal in Smith & Howard's Assurance Services Group. Smith & Howard is a member firm of the BDO Alliance. Randy has served over 25 years in public accounting with the bulk of his career focused on the nonprofit, manufacturing and construction sectors. His experience includes financial statement audits, implementation of new accounting and financial reporting standards, internal control assessment and improvement, governance and federal grant programs compliance.

Implications of the International Tax Provision

Marc Schwartz

On March 2 and 27 Governor Deal signed House Bill 918 and Senate Bill 328, respectively. Together they comprise tax reform designed in part to exploit Georgia's potential tax "windfall." Some remember the Georgia tax debate as guns-versus-planes, others for lowering tax rates. As an international tax nerd, I'm focused on the Georgia/international tax items; 181,731 U.S. jobs were supported by goods exported from Georgia in 2016[1] so, as a state so focused on international trade, we need clarity on related taxation.

The following summary is an over-simplified review of the significant federal international tax changes for Georgia.

Participation Exemption moves us to a quasi-territorial system. New Internal Revenue Code Section ("§") 245A provides a U.S. corporation ("USCo") owning at least 10 percent of the vote or value of a foreign corporation ("ForCo") receives dividends from post 2017 earnings tax-free. Take care as there are exceptions and detailed rules. There's no free lunch, so who pays?

Payors are U.S. persons owning at least 10 percent of ForCo via a mandatory deemed distribution of untaxed post-1986 earnings under amended §965 as Subpart F income. This generally means a 2017 income inclusion (2018 for some) regardless of whether cash moved. Complicated? You tell me -- there have already been four notices and one formal Q&A issued.

§965 provides reduced tax rates and an eight-year payment timetable with no interest charge. The rates are 15.5 percent vs. eight percent for corporations depending on whether earnings are cash/equivalent vs. other assets, respectively, and 17.54 percent or 9.05 percent for individuals.[2] S Corporations and their shareholders get additional deferral.

GILTI (Global Intangible Low-Taxed Income) is not necessarily a tax on intangible nor low-taxed income. It's a new type of Subpart F income (§951A) based on foreign company returns exceeding a base investment threshold (essentially 10 percent of adjusted US tax basis in tangible business assets). The excess is GILTI. So what?

Corporations benefit via §250 providing a deduction leading to a 10.5 percent tax rate (13.125 percent after 2025 for calendar year filers), and they can potentially credit up to 80 percent of foreign taxes. At this low rate, contrary to popular belief, GILTI may encourage continued foreign investment. Individuals aren't so lucky and face normal tax rates.

FDII (Foreign Derived Intangible Income) doesn't only apply to intangible income. Under §250, FDII is income U.S. corporations earn over the same 10 percent threshold via exporting property and/or services, and they face a reduced tax rate of 13.125 percent (16.4 percent post 2025) instead of 21 percent. Non-corporations are again left out of the party.

BEAT (Base Erosion and Anti-Abuse tax) is an alternative minimum tax applicable to groups with more than $500M U.S. revenue where U.S. taxpayers make certain deductible payments to related foreign persons. Georgia reform does not comment on BEAT.

1 https://www.trade.gov/mas/ian/statereports/states/ga.pdf, Georgia profile from International Trade Administration of the US Department of Commerce, courtesy of the GA Department of Economic Development.

2 Congress clearly didn't pay much attention to individuals, so these are our best estimates given the complexity. Separately, the 3.8% NIIT (net investment income tax) likely applies when the cash moves and not before.

What Does the Above Information Mean for Georgia Taxpayers?

Georgia historically allows corporate taxpayers to subtract certain items in determining taxable income, including actual and deemed dividends (including Subpart F).

The updated language for our focus:

The deduction provided by Section 250 shall apply to the extent the same income was included in Georgia taxable net income. The deduction, exclusion, or subtraction provided by Section 245A, Section 965, or any other section of the Internal Revenue Code of 1986 shall not apply to the extent income has been subtracted pursuant to this subparagraph.

It further confirms amounts to be subtracted *include Subpart F income, including income specified in Section 951A of the Internal Revenue Code of 1986*. Because of the changes by both new Georgia laws:

1. Georgia excludes GILTI as Subpart F income (although House Bill 918 would have taxed it). It's unclear why it was specifically listed in the new law, as opposed to simply being covered under the broad Subpart F exception. Corporations benefit, but what about the large number of non-corporate taxpayers? They seem to be stuck unless the legislature acts to share some of the "windfall" by expanding Georgia's definition of GILTI and FDII.

2. Given GILTI's exclusion under the general rule, presumably the new law's reference to §250 refers only to FDII. In such case:
   a. Since federal taxable income incorporates the FDII deduction, and that's the starting point for Georgia's tax calculation, what precisely does the change provide? Does it simply confirm that Georgia corporations enjoy the federal FDII benefit? If 'yes', does there even need to be a reference to §250?
   b. Or, is there an intent for the federal 37.5 percent FDII deduction to apply to the Georgia rate so Georgia corporations are taxed on FDII at 3.59 percent (5.75 percent x 62.5 percent)? This would provide a similar-type benefit as the federal one; however, the calculation could get complicated given the federal deduction is already included in Georgia's starting point. I'm guessing we're in 2a above, but clarity would be helpful.
   c. Ideally FDII incentives would apply to all taxpayers, not just corporations. So you know, there were 12,667 small/medium-sized goods exporters in Georgia in 2015 (the latest year data is available)[3]. I'm sure many of those are not corporations, so they wouldn't get the FDII federal benefit either.
   d. Again, as GILTI is excluded as Subpart F income and the GILTI deduction is also in §250, the §250 reference is potentially confusing.

3. The deduction, exclusion or subtraction provided by the Participation Exemption (§245A), §965, etc. shall not apply to the extent income has already been subtracted under the historical rule. Presumably this insertion prohibits a double deduction – once under the historical rule and once under the new one. What's still unclear:
   a. §965 is Subpart F income so, on a general reading of the Georgia law, wouldn't this income automatically be subtracted from the corporate tax base as Subpart F, period? Why is it separately addressed? That's also my thought for GILTI (§951A), yet the legislature saw fit to specifically include that § in the Subpart F subtraction line (see above). Does the lack of inclusion of §965 in the Subpart F subtraction line have a meaning, or am I tax-nerding this too much? I hope the intent is simply as stated above – to disallow a double deduction for both §965 and §245A items.

The Georgia Department of Revenue is still digesting the new law and its various complexities. We hope the legislature, or the Department of Revenue, will issue guidance soon. Let's not even get into whether a S corporation is a "corporation!"

3 See footnote 1.

Marc Schwartz is the founding partner at Schwartz International, and teams with a variety of U.S. and foreign individuals and business clients, providing strategic tax and financial solutions to help his clients achieve their goals. He has lived and worked in the U.S. and abroad in both governmental and private sector roles. His diversified experience enables him to bring a practical global perspective to the individuals and businesses he serves.

Are You Spending Enough on Your Technology?

J. Carlton Collins, CPA

Computers, printers, internet access, and smartphones are some of the basic tools of our trade. These tools enable us to get our jobs done more efficiently, and with less pain. The key is to equip yourself and everyone in your organization with the tools they need and the proper training to use them.

Equipping Your Employees

At a minimum, each professional employee should have their own fast computer, smartphone, access to a fast printer, sheet-feeding scanner, and high-speed access to the internet. Desktop computers should be equipped with two large LED monitors (I recommend two 32-inch monitors), a large keyboard and mouse, a comfortable desk with a keyboard tray positioned at the correct level (i.e. arms parallel to the ground), a comfortable chair, and a battery backup UPS device to protect the equipment. The keyboard tray should be large enough to hold both the keyboard and the mouse pad. Software should include Word, Excel, PowerPoint, and Outlook (or equivalent applications). All computer devices should all have up-to-date anti-virus software installed and an online drive (such as DropBox, Google Drive or OneDrive) to help manage and share files.

Equipping Your Company

At a minimum, your company should be equipped with a fast data file server (to host data files and company-wide applications); possibly a network attached storage device (NAS) (to host larger volumes of data files on a separate device); a stellar back-up solution (continuous, off-site back-up for current data files, and periodic on-site and off-site archive for older data files); a high-speed, reliable network (so everyone can share data files and peripheral devices); a robust accounting system with all the necessary modules and add-on functionality (such as time and billing, for example, if necessary); a professional web site (to promote the company's products and services), high-speed internet access; an IT professional (on staff or a consultancy on call); a cyber security professional (on staff or a consultancy on call); a robust document management system (to go paperless); written technology policies and procedures; and continuous technology training on all hardware products, software products, and policies and procedures.

Depending on your industry, you may have additional needs. For example, a manufacturing company will need an accounting system with manufacturing capabilities, and a CPA firm will need tax preparation, tax research, and practice management software.

Grand Total for All Technology

Altogether, the technology recommendations listed above for both the company and each employee suggest that a newly established small business might expect to invest $100,000 up front ($40,000 + $3,000 * 20) in the first year for computer related equipment, and another $127,600 per year ($115,000 + $630 * 20) to provide good quality technology, including IT management, cybersecurity, internet access, mobile computing, backup, and on-going training. Further, because computer equipment typically needs to be replaced every three years, this same company should plan to spend $33,350 a year ($100,000 / 3 years), beginning in year four, to replace aging computer equipment, as needed. The numbers organized below are designed to illustrate a five-year projection, and the final column has been adjusted for an assumed annual compounded inflation rate of 2.5 percent.

	Computer Equipment Purchases	Recurring Expenses	Total	Total with inflation of 2.5%
1st year	100,000	127,600	227,600	227,600
2nd year	-	127,600	127,600	130,800
3rd year	-	127,600	127,600	134,100
4th year	33,350	127,600	160,950	137,500
5th year	33,350	127,600	160,950	140,900
				770,900

You can view examples of Carlton's specific technology recommendations (including pricing) for a professional CPA and a small business at www.carltoncollins.com/prices.docx.

Additional Items to Note

Professional IT management. Today, no matter who you are, it is imperative that you have both a technology consultant and security consultant either on staff, or on call. It's one or the other, there's no way to avoid this unless, of course, you're a Mississippi riverboat gambler, and then maybe it's OK for you to take chances with your technology and information security.

Over-buying computers. A common mistake CPAs make is they tend to spend more than they should on their computers because they custom configure them online. It is my experience that you can save about 50 percent by purchasing a pre-configured computer from MicroCenter, Amazon, Sam's Club, or similar retail outlets.

Identical computers. Some CPAs go to great lengths to purchase identical brands and identically configured computers for their employees. While I agree there may a small consistency advantage to sticking to a single brand and configuration, this prevents you from shopping for the less expensive preconfigured computers mentioned in the previous point. The consistency in computer technology is not worth paying double in my opinion.

Computers are throw-aways. I replace my computers frequently, but I like to hold on to my monitors until they die. Generally, I recommend you purchase a new computer each time you upgrade to the newest version of Windows, which should be approximately every three years.

Color Printers. Today's world expects color printing, and Epson's new EcoTank printers include a two-year supply of ink, so constantly buying and changing color ink cartridges is no longer necessary.

UPS Devices. Power surges do happen, and each power hit shortens the life span of your equipment. Bite the bullet and protect everything you have with UPS battery backup devices.

The Cloud. It's time. Cloud-based applications are not only better today, they will most likely continue to improve, whereas on-premise applications will likely stagnate.

Avoid the switch out mentality. Remember, you don't have to switch out an application, file server or device, you can just add to your technology. For example, you can introduce a new printer without throwing out the old printer or add a cloud-based data storage without getting rid of your file server-based data storage.

J. Carlton Collins, CPA (carlton@asaresearch.com) is a technology auditor who assists companies in evaluating and grading their existing technologies. He is also a contributing editor for the *Journal of Accountancy* and *FM Magazine,* where he has published 500+ technology articles over the past eight years.

How Manufacturers Can Use the Tax Cuts and Jobs Act to Fund Industry 4.0

Kate Maxwell, CPA

Industry 4.0 (the fourth industrial revolution) weaves together automation and data exchange in current manufacturing technologies with a focus on helping manufacturers be flexible and quick to market in an increasingly complex and competitive world. Among other things, Industry 4.0 includes smart technology, data driven processes, artificial intelligence and, perhaps not surprisingly, an increased cyber security risk.

Besides the commonality of each of these elements as part of Industry 4.0, there's an important aspect of Industry 4.0 that is as daunting to some manufacturers as the technology-driven aspects of the revolution: cost.

Successfully tackling the opportunities offered by Industry 4.0 requires a significant investment of time, personnel and capital. Those looking to the Tax Cuts and Jobs Act (TCJA) for ways to fund Industry 4.0 have been (and still are) wading through the details of the TCJA. While many of the changes in the Act – for example the corporate tax rate cut – will be a boon to many middle-market manufacturers, others may create new challenges for funding 4.0-type innovation.

Following are just a few highlights of the TCJA that may affect manufacturers' ability to fund Industry 4.0.

Reduction of the Corporate Tax Rate

The Act reduced the top corporate rate from 35 percent to 21 percent, likely the single biggest highlight of the TCJA for manufacturers. With more money in the "pockets" of many businesses, the immediate tangible boost was reflected in the trend of some businesses to award 2017 year-end bonuses, increase compensation, enhance benefits and/or reduce healthcare costs. The coming months may signal how manufacturers plan to use added dollars to invest in Industry 4.0.

Having additional funds for investment in 3D printing, cloud computing, the Internet of Things (IoT), robotics, artificial intelligence and more will enable U.S. manufacturers to get – and stay – competitive on the global playing field.

Though the reduction of the corporate tax rate is the star of the TCJA, other elements of the Act combine to enhance (and occasionally detract) from the cut.

Repeal of the Corporate AMT

The Act repealed the corporate Alternative Minimum Tax (AMT) as well as the election to accelerate AMT credits in lieu of bonus depreciation. Without repeal of the corporate AMT, manufacturers (and other businesses) would have found it difficult to reduce their effective corporate tax rate lower than 21 percent.

Pass-Through Tax Treatment / Section 199A

The Act raises the deduction available to pass-through filers to 20 percent. Because many manufacturers are structured as pass-throughs, the 20 percent increase of the deduction available to pass-through filers should be a net positive for the industry. Note, however, that the 20 percent rate only applies to about 20 percent of their pass-through business income. Even so, other tax breaks will still apply.

R&D Tax Credit

R&D credits were put in place to encourage innovation – the very essence of Industry 4.0. Qualifying activities mustn't be flashy, revolutionary or successful. The overall intent is to encourage companies to try for better, faster, cheaper or greener products,

processes or software. For the transition to Industry 4.0, manufacturers often qualify if they are attempting to design, develop or incorporate sensors, transmitters, smart devices or other types of machine intelligence into their products or plants.

Fortunately, the TCJA left the R&D tax credit intact – and its net value was effectively increased by 22 percent, from 65 to 79 percent of incremental qualified spending because of the corporate rate's reduction to 21 percent and the required Sec. 280C(c)(3) election or add back of the section 174 Research & Experimental Expenditures tax deduction. The elimination of the corporate AMT discussed above also means that more manufacturers can benefit from the R&D tax credit.

The TCJA sets forth limitations on interest expensing as well as new restrictions on the carryback and use of Net Operating Losses, both of which could present significant cash flow obstacles.

Limitations on Interest Expensing

Generally, this piece of the TCJA caps the deduction of interest expense to the sum of 1) business interest income; 2) 30 percent of adjusted taxable income (computed without regard to deductions allowable for depreciation, amortization, or depletion; and 3) the taxpayer's floorplan financing interest for the tax year. Disallowed interest is carried forward indefinitely, though it does contain an exception for small businesses. This is a base broadener that limits the interest deduction to 30 percent of EBITDA for four years, then 30 percent of EBIT thereafter. The interest expense ceiling could be challenging for manufacturers that rely heavily on debt financing – a consideration in Industry 4.0 investment strategy. Companies will be able to fully expense certain capital expenditures, including acquisitions of used property, in 2018.

Don't Miss the Obvious

While the very abbreviated review of elements of the TCJA above is important for manufacturers who are interested in Industry 4.0, it's important that they don't lose sight of maximizing the not insignificant federal and state tax incentives that are available. A focus on tax incentives at the federal and state level can generate cash, increase earnings per share, lower effective tax rates and provide an opportunity to increase Industry 4.0 investments.

But First, Plan

With easy to miss – or difficult to understand – opportunities available at the federal and state level, manufacturers who want to be players in the fourth industrial revolution will need help and advice from outside advisors. While the fine points of the TCJA may still be a bit unclear, it's very clear that manufacturers must develop a strategy to take advantage of the benefits of the corporate tax rate to capitalize on the opportunities Industry 4.0 provides. Tax planning, combined with a solid business strategy, are an immediate imperative.

Kate Maxwell, CPA is a manager in Smith & Howard's Tax Services Group and is a member of the manufacturing team. Her expertise encompasses comprehensive tax compliance, planning and consulting services for complex international and multi-state corporations, partnerships and individuals. Kate serves many of the firm's manufacturing clients.

The Importance of Documented Collection Procedures

Utilize the Three Ps to Make it Work in Your Firm

Rita Keller

In some accounting firms, even if they do have documented billing and collection procedures, the procedures are often not followed by all the partners. Every partner seems to do their own thing when it comes to billing and collection, with the motivation being a monetary penalty to the partners. This is certainly not a very positive way to handle one of the most important business activities inside a firm. More importantly, it does not demonstrate accountability and trust among the owner group.

Money hides a lot of problems. If enough money keeps rolling in to easily meet payroll, pay for training and CPE, establish multiple employee perks and still have plenty left over to make the owners very comfortable, little effort is expended on collections. The lack of attention to collections is dangerous to the financial health of the firm.

Another danger, not often considered, is how the lack of collection procedures has a negative effect on employees. When the firm does not have a documented collection policy and procedures to facilitate collection of past due accounts, it can be demotivating to employees.

Leaders might think that employees do not realize which clients are late on payment. In reality, they all know. If asked to work on assignments and they realize that particular client is a "collection problem," why would they be excited about doing the work efficiently and timely?

Lack of collection activities in accounting firms happens because leaders are afraid that chasing payments might negatively impact the client relationship. If the firm has a client who does not pay, they are not a client. The client relationship means: "We provide the service and you pay us." It is the foundation of a client relationship.

Of course, there are times when certain clients might be struggling and delaying payment is an alternative. That is the time when you work out a payment plan, spread over several months so that they can eventually catch up. Begin paying close attention to your accounts receivable and utilize the three Ps – do it with processes, passion, and professionalism.

Begin by communicating your billing and collection policies upfront when you initially meet with a new client. Partners, and others, should verbally discuss billing and collection policies with a new client. To be sure that the policy is well communicated, the firm administrator should send a welcome letter to each new client that includes notification of the collection terms.

When a client becomes "past due," do not wait until they are 120 days past due to contact them. If you expect payment at 30 days and they have not paid, send them an email on day 31. Call them on day 40. Always send monthly accounts receivable statements. It is important to designate a person to handle collections and make it their highest priority, even if you have to hire a part-time person just for this duty.

Here is an example of a firm's collection terms that is shared with clients:

1. Invoices are due upon receipt.

2. If an invoice reaches 30 days, a service charge of 1.5 percent per month will be added to the invoice amount. This service charge is due and payable with the past due invoice.

3. If an invoice is unpaid after 90 days, clients will be notified of the necessity to discontinue work in process. Team members will be instructed to cease all services for the client until payment is received.

4. In addition to checks, we also accept *VISA/MASTERCARD* for payment of accounting fees.

Most progressive firms have a stop work policy. If a client is past due by 90 days (you decide on how many), all work stops until they make full payment or work out a payment plan and make the first payment. If they miss a payment, work stops.

I often get questions about 1040 clients who are slow to pay. If they are a collection problem this year, they are a COD client next year (they must pay before their work is released). If they are a continuing collection problem, they pay upfront before work begins.

I'm not talking about harassing clients. I am talking about embracing good business practices – collect what is owed to you and encourage your clients to do the same with their customers.

Communication, upfront, with the client is a must. If accounts become past-due, being stern with clients may be uncomfortable, but done with a documented ***process***, the ***passion*** to commit to action and absolute ***professionalism*** in handling the communication, it can become very easy. Plus, it is an important safeguard for the firm's financial health.

Example of Collection Procedures

Payment of our invoices is due upon presentation to the client and our invoices will state same. As outlined in our billing procedures, the bill should be issued as soon as possible during or after the work is completed.

- If payment is not received within 30 days of the date of the invoice, a service charge will be added to the billing. A monthly statement will be sent to the client showing all outstanding invoices and service charges.

- Collection calls will begin on accounts that reach 45 days in age and continue on at least a 30-day interval until the account is collected. There is a separate set of expectations and steps for the calling process.

- When the account reaches 90 days of age, all work will be discontinued and the client will be notified that work has been stopped pending payment of their balance that exceeds 90 days. It is important that the entire organization observes the stop work procedure and communicate a consistent message to the client.

- At 120 days, the partner responsible for the account will be notified by the collection personnel that the account remains unpaid and that collection efforts have not been successful. **The partner** will have 30 days to collect the account.

- At 150 days, if the partner has not been successful, the managing partner will be notified by the collection associate. The managing partner will consult with the partner-in-charge of the client to determine the next steps. If failure to pay continues, the final disposition of the account and the firm's future dealings, if any, with the client will be at the discretion of the managing partner. The MP will decide on whether to continue any relationship with the client and whether stronger collection action is warranted and appropriate.

Rita Keller is an award-winning and widely respected voice to CPA firm management. Keller works with firms to assist them with strategic planning, firm management and operational issues. Her 30 years of experience in CPA firm management uniquely positions her to help CPAs face rapid and significant change. She has been repeatedly named one of the Top 100 Most Influential People in Accounting. Reach her at rkeller@ritakeller.com and follow her daily blog www.ritakeller.com and follow her on Twitter @CPAManagement.

2018 GSCPA ANNUAL CONVENTION

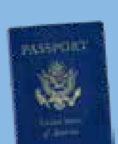
Rimrock Resort, Banff, Canada

June 24-27, 2018 | ac.gscpa.org

Prepare to escape to heart of the Canadian Rockies and Banff National Park for the 2018 Annual Convention, June 24-27 at the Rimrock Resort, Banff, Canada.

The Georgia Society of CPAs Annual Convention will be held June 24-27, 2018 at Rimrock Resort in Banff, Canada. The convention is a family-friendly, fun-filled, four-day event allowing attendees the opportunity to mix and mingle and meet new friends. CPAs can take advantage of the **13.5 hours of CPE** being offered on a variety of topics, including professional issues, leadership development and more. On Tuesday morning, plan to participate in the **GSCPA Annual Business Meeting** where you will hear what your Society has accomplished and what the plans are for the upcoming year.

We look forward to seeing you in Banff!



PASSPORTS REQUIRED!

Travel to Canada requires all U.S. residents to have a valid passport. If you need a passport or need to renew one, please visit the U.S. Passports and International Travel website at: travel.state.gov/content/passports/en/passports/apply.html

It is recommended you apply or renew your passport as soon as possible as it can take at least 6-8 weeks to get your passport.

DINE AROUNDS

Courtesy blocks have been set up at several restaurants for Monday evening. Choose a restaurant at the GSCPA registration desk upon arrival on Sunday. Options are at your own cost.

Chuck's Steakhouse
https://www.chuckssteakhouse.ca/
Banff's newest restaurant, Chuck's Steakhouse is located on the corner of Banff Avenue and Buffalo street. The menu features a wide range of locally sourced Alberta beef with an on-site dry aging room, all served in a stylish ranch inspired dining room.

The Balkan Restaurant (kid friendly)
https://www.banffbalkan.ca/
Fresh Greek in the heart of Banff. Featuring the best ingredients to honor the traditions of the Mediterranean. Friendly, local service, showcasing the best in Greek and Banff hospitality.

Park Distillery Restaurant and Bar (kid friendly)
https://www.parkdistillery.com/
Park Distillery is a back-country lodge inspired craft distillery. Park has a vibrant atmosphere and our menu features smoky campfire inspired cuisine served alongside our award-winning spirits.

Three Ravens Restaurant & Wine Bar
https://www.banffcentre.ca/three-ravens-restaurant-wine-bar
Exceptional dining inspired by creativity sustainability and culinary diversity. Consistently one of Banff's top rated restaurants on TripAdvisor, Executive Chef Sébastien Tessier and his knowledgeable team are as passionate as you are about fresh, inventive cuisine and great wines.

The Bison
http://www.thebison.ca/
Enjoy a signature cocktail, local bottled beer or choose from the carefully selected wine list. Watch the show as a line of talented chefs in the open concept coppered kitchen lead by executive chef David Cousineau prepare your regionally inspired meal. Our farm to table approach means guests will be eating the very best the region has to offer in rustic elegance.

ACTIVITIES

Monday

Explore Rockies (Brewster Sightseeing Tours only)
Guests can book on-line on the website Summer Sightseeing Tours (https://www.banffjaspercollection.com/brewster-sightseeing/) or by calling Brewster's toll-free line at 1-866-606-6700.

- Explore Lake Louise
- Explore Banff
- Explore Jasper
- Mountains, Lakes and Waterfalls
- Rockies Discovery
- Columbia Icefield Discovery

Tuesday

Cave and Basin National Historic Site
311 Cave Avenue
Tuesday June 26, 9 a.m.
$10 per person (Ages 17 and under are free)
Transportation is on your own

SCHEDULE OF EVENTS

SUNDAY, JUNE 24

12 – 5 p.m.	Registration
1 – 5 p.m.	Exhibits Open
1 – 1:50 p.m.	**Patrick Bell | Health Care Consumerism: Getting Employees More Involved In Their Physical and Financial Well-Being**
1:50 - 2 p.m.	Break
2 - 2:50 p.m.	**Sondra Smith | Examining Current Practices of Data Analytics in Auditing**
2:50 – 3 p.m.	Break
3 - 4:40 p.m.	**Art Auerbach | New Tax Law and Cases Affecting Businesses**
7 – 10 p.m.	Opening Reception and Dinner

MONDAY, JUNE 25

7:30 – 9 a.m.	Breakfast Buffet
7:30 – 9 a.m.	Exhibits Open
8 – 6 p.m.	Explore on your own
6 p.m.	Dine Arounds
6 - 8 p.m.	Past Presidents & Chairs Dinner
9 - 10 p.m.	Hospitality Reception

TUESDAY, JUNE 26

7:30 - 9 a.m.	Breakfast Buffet
8:30 - 9:30 a.m.	Annual Business Meeting
9 a.m.	Optional Activity
7:30 a.m. – 4 p.m.	Exhibits Open
9:45 – 11:25 a.m.	**Art Auerbach | New Tax Law and Items Affecting Individual Client, Income and Estate Planning**
11:25 a.m. - 2 p.m.	Break
2 - 3:40 p.m.	**Mark Peterson, AICPA | Washington Update**
3:40 - 3:50 p.m.	Break
3:50 - 4:40 p.m.	**Emily Sanders | Financial Cross Fit: How to Help your Female Clients to Become Financially Strong**
5:30 - 9:30 p.m.	Kids Club (ages 5-12)
6 - 9 p.m.	Chair's Reception and Banquet
9 - 11 p.m.	Hospitality Reception

WEDNESDAY, JUNE 27

7:30 – 9 a.m.	Breakfast Buffet
7:30 a.m. – 12 p.m.	Exhibits Open
8:30 - 9:45 a.m.	**Ric Rosario, CAMICO | You've Been Hacked...Now What?**
9:45 - 10 a.m.	Break
10 - 10:50 a.m.	**Calvin Wong | Technology Update**
10:50 - 11 a.m.	Break
11 a.m. - 12:15 p.m.	**Boyd Search | Town Hall Meeting**
12:15 p.m.	Adjourn

The Educational Foundation of GSCPA Awards Over $114K in Scholarships and Institutional Support

The Educational Foundation of The Georgia Society of Certified Public Accountants (GSCPA) recently announced its scholarship award recipients for the 2018-19 academic year. Scholarships ranging from $1,000-$5,000, for a total of $91,200, were awarded to over 50 accounting students from 13 different universities and colleges.

Students were selected based on their commitment to pursuing a career in accounting, academic performance and achievements. The Foundation awarded an additional $21,000 in scholarships through the Chapter Matching Funds Program, and GSCPA chapters granted Georgia universities and colleges $2,000 in institutional support for a grand total of $114,200.

Established in 1957, the Foundation, helps students achieve their goals of becoming CPAs by identifying the best and brightest individuals entering the profession and providing those individuals with the help needed to complete their education.

“As a former scholarship recipient and now leader of this amazing organization, I can personally attest to the impact these members are having on the future of the CPA profession and the resultant financial health of the businesses and individuals we serve,” shared Kathy Moreno, president of The Educational Foundation.

The Educational Foundation of The Georgia Society congratulates each recipient.

Bates, Carter & Company, LLP Scholarship	$1,500	Caroline Dean	Georgia College & State University
Ben Brannon Accounting Scholarship	$1,800	Timara Harvey	Middle Georgia State College
Bennett Thrasher PC Scholarship	$1,300	Natasha Davis	Kennesaw State University
Bennett Thrasher PC Scholarship	$1,300	Rachel Colburn	University of Georgia
Bennett Thrasher PC Scholarship	$1,300	Bernado Mendoza	Georgia State University
Bennett Thrasher PC Scholarship	$1,300	Chisato Smith	Georgia State University
Collins/Moody + Company, PC Scholarship	$1,800	Katrin Gomisch	Kennesaw State University
Collins/Moody + Company, PC Scholarship	$1,800	Thomas Lowery	Middle Georgia State College
Gifford, Hillegass & Ingwersen, LLP Scholarship	$1,700	Lauren Dinges	Georgia Institute of Technology
Gifford, Hillegass & Ingwersen, LLP Scholarship	$1,700	Ashton Glenn	Georgia Southern University
HA+W/Aprio Scholarship	$1,600	James Cochran	Georgia Southern University
HA+W/Aprio Scholarship	$1,600	Calie Hawthorne	Kennesaw State University
HA+W/Aprio Scholarship	$1,600	Savannah Mabry	University of Georgia
Julius M Johnson Scholarship	$5,000	Ashley Sill	Augusta University
Donald W. Rhodes Scholarship	$1,600	Dae Young Hwang	Georgia State University
Rhodes, Young of North Georgia, Black & Duncan Scholarship	$1,600	Tina Pak	Georgia State University
Rhodes, Young, Black & Duncan Scholarship	$1,600	John Quinlan	Georgia State University
Robert Lange Accounting Scholarship	$2,000	Joseph Milley	University of Georgia

Robinson Grimes & Company Keith Grimes Scholarship	$1,500	Frances Woolfolk	Columbus State University
Robinson Grimes & Company Ross E. Robinson Scholarship	$1,500	Emily McCord	University of Georgia
Windham Brannon Excellence in Accounting Scholarship	$1,500	Remy Lucas	University of Georgia
Windham Brannon Excellence in Accounting Scholarship	$1,500	Victoria Petuhova	University of Georgia
Windham Brannon's Ben Brannon Scholarship	$1,300	Rebecca Hendrix	Georgia College & State University
Windham Brannon's Bill Bomar Scholarship	$1,300	Juan Prado-Graziosi	University of North Georgia
Windham Brannon's Fred Windham Scholarship	$1,300	Elizabeth Kirk	Georgia College & State University
Windham Brannon's Jim Duval Scholarship	$1,300	Shantyl Neely	Kennesaw State University
Windham Brannon's Stuart Cashin Scholarship	$1,300	Woodrow Kavanagh	Kennesaw State University
Howard Herman Service Award Scholarship	$1,300	Ryan Marby	Augusta University
Cherry Bekaert	$2,500	Johnathan Sauls	Georgia State University
John Cook - GAAE	$1,800	Matthew Millian	Kennesaw State University
TJS Deemer Dana LLP	$2,000	Allison Cerqueda	Kennesaw State University
The North Perimeter Chapter of The Georgia Society of CPAs	$3,000	Douglas Gregory	Mercer University
The Gwinnett Chapter of The Georgia Society of CPAs	$2,000	Nareshkumar Lakshmanan	Georgia State University
Educational Foundation of the Georgia Society of CPAs Accounting Scholarship	$4,000	Karla Cruz	Kennesaw State University
Educational Foundation of the Georgia Society of CPAs Accounting Scholarship	$4,000	Edmund Middlebrook	Georgia College & State University
Educational Foundation of the Georgia Society of CPAs Accounting Scholarship	$3,000	Allison Anzelmo	Kennesaw State University
Educational Foundation of the Georgia Society of CPAs Accounting Scholarship	$4,000	James Beach	Georgia Southern University
Educational Foundation of the Georgia Society of CPAs Accounting Scholarship	$2,000	Brittany Barfield	Georgia College & State University
Educational Foundation of the Georgia Society of CPAs Accounting Scholarship	$2,000	David Hanna	Valdosta State University
Educational Foundation of the Georgia Society of CPAs Accounting Scholarship	$1,250	James Beeland	Georgia Southern University
Educational Foundation of the Georgia Society of CPAs Accounting Scholarship	$1,250	Chelsea Gasper	Georgia Southern University
Educational Foundation of the Georgia Society of CPAs Accounting Scholarship	$1,250	Michael Jenkins	Georgia Southern University
Educational Foundation of the Georgia Society of CPAs Accounting Scholarship	$1,250	Thuy Hoang	Georgia State University
Educational Foundation of the Georgia Society of CPAs Accounting Scholarship	$1,250	TeSyuan Kung	Georgia State University
Educational Foundation of the Georgia Society of CPAs Accounting Scholarship	$1,250	Chris Miller	Kennesaw State University
Educational Foundation of the Georgia Society of CPAs Accounting Scholarship	$1,250	Melissa Turvey	Kennesaw State University
Educational Foundation of the Georgia Society of CPAs Accounting Scholarship	$1,250	Zachary Richards	Valdosta State University
Educational Foundation of the Georgia Society of CPAs Accounting Scholarship	$1,250	Amy Webb	University of Virginia
Educational Foundation of the Georgia Society of CPAs Accounting Scholarship	$1,250	Cle'Nesha Anderson	Mercer University
Educational Foundation of the Georgia Society of CPAs Accounting Scholarship	$1,250	Taylor Williams	Georgia College & State University
Educational Foundation of the Georgia Society of CPAs Accounting Scholarship	$1,250	Katie Tillman	Valdosta State University


Greetings from
JEKYLL ISLAND
Clusters is going on a road trip this year! Join us in Jekyll island July 23-24 for the following seminars:
MONDAY, JULY 23, 2018
ACCOUNTING AND AUDITING
Current Issues in Accounting and Auditing: An Annual Update
Event Code: 07022 | 8 - 11:30 a.m. | CPE: 4 A&A
Financial Statement Disclosures: A Guide for Small and Medium-Sized Businesses
Event Code: 07024 | 12:30 - 4 p.m. | CPE: 4 A&A
TAXATION
Surgent's Individual Income Tax Update
Event Code: 07023 | 8 - 11:30 a.m. | CPE: 4 General
Surgent's S Corporation, Partnership, and LLC Tax Update
Event Code: 07025 | 12:30 - 4 p.m. | CPE: 4 General
TUESDAY, JULY 24, 2018
ACCOUNTING AND AUDITING
Examining the New Lease Accounting Standard: More Than Meets the Eye
Event Code: 07026 | 8 - 11:30 a.m. | CPE: 4 A&A
Accounting for Financial Instruments: Making Sense of the FASB's New Guidance on Impairment, Hedging, and Financial Assets and Liabilities
Event Code: 07028 | 12:30 - 4 p.m. | CPE: 4 A&A
TAXATION
Surgent's Mastering Basis Issues for S Corporations, Partnerships, and LLCs
Event Code: 07027 | 8 - 11:30 a.m. | CPE: 4 General
Real Estate Taxation: Critical Considerations
Event Code: 07029 | 12:30 - 4 p.m. | CPE: 4 General


Technology Conference
July 19, 2018
GSCPA Learning Center | Atlanta, Georgia
Event Code: 13040
To register: www.bit.ly/Technology18 or call 800-330-8889, Opt. 3

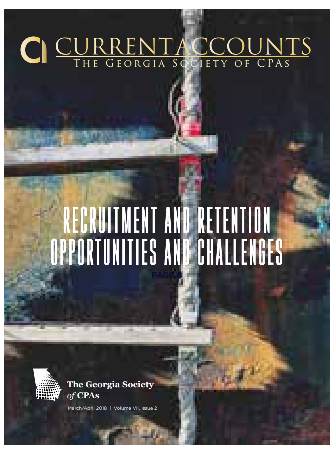

Estate Planning Conference
July 26-28, 2018
Reynolds Plantation, Greensboro, Ga.
Event Code: 13000
To register: www.bit.ly/EstatePlanning18 or call 800-330-8889, Opt. 3

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.

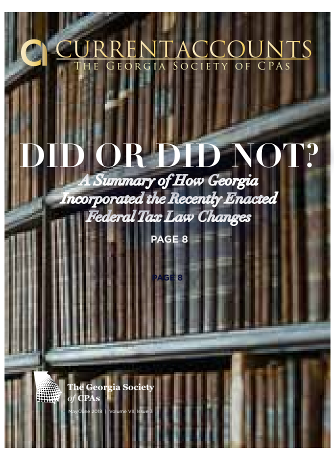
The May/June 2016 self-study test will be available until June 30, 2018. Take each test as you receive the issue or wait and take them all at one time. For more information on how to take a test, see page 36.

May/June 2017 Issue - Self-Study Test # CA70506
July/August 2017 Issue - Self-Study Test # CA70708
September/October 2017 - Self-Study Test # CA70910
November/December 2017 - Self-Study Test # CA71112
January/February 2018 - Self-Study Test # CA80102



< March/April 2018 Issue
Self-Study Test # CA80304

May/June 2018 Issue >
Self-Study Test # CA80506



REGISTER AT
CASELFSTUDY.GSCPA.ORG

Upcoming Live Streams

Make time this spring for meeting your CPE requirements and staying up-to-date on the latest hot topics in your area of interest.

Advanced Audits of 401(k) Plans: Best Practices and Current Developments
June 1, 2018 | Event Code: LS06001 | 8 A&A

AICPA Peer Review Program Advanced Course**
June 12, 2018 | Event Code: LS06002 | 8 A&A

Documenting Your EBP Audit: What You Need to Know**
June 13, 2018 | Event Code: LS06003 | 8 A&A

Form 990: Mastering Its Unique Characteristics**
June 21, 2018 | Event Code: LS06004 | 8 General

FASB's "Big 3" - Revenue Recognition, Leases, and Financial Instruments
June 22, 2018 | Event Code: LS06006 | 8 A&A

Determining How Much Money You Need to Retire: Practical Planning Strategies (CFP)
June 27, 2018 | Event Code: LS06007 | 8 General

Upcoming Peer Review: Is Your Firm Ready?**
July 12, 2018 | Event Code: LS07001 | 8 A&A

Reviewing Pass-Through Tax Returns: What Are You Missing?
July 13, 2018 | Event Code: LS07002 | 8 General

Becoming an AICPA Peer Review Team or Review Captain: Case Study Application**
July 17, 2018 | Event Code: LS07003 | 8 A&A

Estate and Life Planning Issues for the Middle-Income Client (CFP)
July 18, 2018 | Event Code: LS07004 | 8 General

Surgent's Individual and Financial Planning Tax Camp (CFP)
July 19, 2018 | Event Code: LS07005 | 8 General

How to Settle a Client's Estate (CFP)
July 20, 2018 | Event Code: LS07008 | 8 General

Fraud and Abuse in Not-for-profit Entities and Governments: Stealing from Everyone
July 20, 2018 | Event Code: LS07007 | 8 A&A

REGISTER AT
WWW.GSCPA.ORG

BUSINESS SERVICES

Business Valuations: Formal appraisals for Attorneys/CPAs/Clients. Areas: Equity Compensation (IRC 409a / ASC 718), Estate & Gift (FLPs), Financial Reporting (Impairment Testing, Purchase Price Allocations), S-Corp. Conversions (built-in-gain tax), M&A, Marital Dissolution, Shareholder Disputes, Exit/Succession Planning.

Contact David H. Hern, CPA/ABV, ASA, Alvarez & Marsal Valuation Services, LLC, 770-776-8852, DHern@alvarezandmarsal.com

Peer Review: Kilpatrick, Rea & Associates, CPA, PC
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 Steven Rea, Crescent Centre, Tucker. 770-455-8706 or steve@kilpatrickcpa.com, www.kilpatrickcpa.com.

CPA ALLIES is an independent (RIA) Registered Investment Advisory Firm that specializes in providing unbiased insurance and investment counsel to CPAs and their clients. Our sole concentration is to help you solve the retirement and planning needs of your clients by being an ally and solutions provider to your practice. Our clients say that we are transparent, responsive and reliable. Please contact Jeff Morris at jmorris@cpaallies.com or 404-596-8080. www.cpaallies.com

- Investment Management
- IRA & 401k Rollovers
- Business Retirement Solutions
- Solo 401k's / SIMPLE & SEP Plans
- Retirement Planning
- Social Security Maximization
- Budget Accountability

IRS and state taxpayer representation. Tax Attorney & CPA available to consult with your firm or your clients on IRS and state tax matters. Audit, appeal, collection or criminal matters including offers in compromise, offshore voluntary disclosures/foreign bank account and asset cases, 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.

POSITIONS AVAILABLE

Managers/supervisors in the tax, audit & accounting areas needed for rapidly expanding CPA firm in the Roswell/Sandy Springs area with a second office in Marietta. Positions require supervisory/review skills and extensive interaction with both staff, clients and partners. Significant opportunity for advancement. Please respond to lori@frickecpa.com or 770-216-2226.

Accounting/Audit manager/partner or CPA firm needed to manage and grow our audit practice. Our firm, located in the Roswell/Sandy Springs area with a staff of 26, currently performs approximately 25 to 30 audits. This is an ideal situation for a current audit/accounting manager, sole practitioner or small audit firm that would like to merge into a larger practice. Candidate should have audit experience at the partner or manager level. It is preferred, but not required, that you have a client base which can be brought into the firm. Please respond to: Lori@frickecpa.com or 770-216-2226.

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. Full time and part time 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.

SITUATIONS WANTED

Wanted: Forensic Accounting Project having finished one involving two states, three tax agencies, two state and one local license agencies and more than likely jail time for two shareholders by mid February. Call Alan at 678-480-1831.

OFFICE SPACE/ACQUISITIONS

Office space available in Piedmont Center (1 or 2 offices) to share with other CPAs. $825/month includes utilities/internet, conference room, and free parking for yourself and clients. Please call 678-515-7835 or email Chris.Blackmon@BiggersBlackmon.com.

Sole Practitioner, NW ATL near 75/285, seeks merger to facilitate retirement within the next few years. Client base consists of high net worth individuals and small businesses. No attest level financials. Contact nwatlcpa@gmail.com if interested in discussing.

Atlanta CPA firm is seeking growth through the merger and acquisition of accounting/audit/tax practices. We have successfully acquired numerous CPA practices over the prior 15 years. Owners of the acquired firm may choose to continue working during and after the transition period. We are also interested in acquiring practice segments such as tax, bookkeeping, or audit clients. Please respond to GSCPA File Box 456.

PRACTICES FOR SALE

Selling your practice? Learn more about Poe Group's Unique process, The Seamless Succession™ to help you get top dollar and find just the right buyer for your clients and staff. Please watch our video by visiting www.poegroupadvisors.com/video.

Buying a practice? Registration is free and simple at www.poegroupadvisors.com/buying

Pensacola area CPA $2,000,000+...Huntsville, AL $365,000+...Central GA-Warner Robins area $1,100,000+... Auburn CPA $400,000+...Kennesaw $350,000...Norcross $600,000...Many others throughout the southeast. Contact Leon Faris, CPA at Professional Accounting Sales. Tel 770-859-0859 or visit our website at www.cpasales.com. Let our 35 years of experience work for you.

Akins Professional Brokerage, Inc.
GEORGIA: Savannah - $1 million - full service | Atlanta - $800k - tax/bookkeeping
FLORIDA: Jacksonville - $1.2 million - full service | Palm Beach - $60k - IRS resolution/tax
Akins Professional Brokerage:
www.akinsprofessionalbrokerage.com
Call David L. Akins, CPA - telephone: 877-277-0272
Email: David@akinsprofessionalbrokerage.com
More listings coming soon!

Accounting Practice Sales is the largest marketer of CPA firms in the U.S. The reason? Proven success! Contact us to receive a free valuation of your practice or for a confidential, no-obligation discussion of your situation. 888-847-1040 x 4 or chase@aps.net. Current listings (Gross revenues shown): Central GA (GA1161) $260K; Central GA (GA1162) $225K. Buyers - see more listings than anyone at www.accountingpracticesales.com.

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 **Sam Getty**, assistant manager, strategic relationships at sgetty@gscpa.org.

Current Accounts Self-Study Test

MAY/JUNE 2018 | TEST NO. CA80506

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 email to the CPE Department at cpe@gscpa.org

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 Email

PAYMENT INFORMATION

❑ Check for $________ made payable to The Georgia Society of CPAs

❑ Amount to charge to credit card $______________
❑ Discover ❑ MC ❑ AmEx ❑ Visa
❑ Personal OR ❑ Company Card

Card Number Exp. Date

Name as it appears on card

Signature

ATTRIBUTION

The Self-Study Test is developed and written by Lowell Mooney, Ph.D., CPA, professor of accounting at Georgia Southern University.

Did or Did Not? A Summary of How Georgia Incorporated the Recently Enacted Federal Tax Law Changes

1. Georgia tax law does not conform to the new federal tax laws in which of the following cases?

A. There is a 7.5 percent Adjusted Gross Income (AGI) floor for medical expense deduction for 2017 and 2018.
B. To claim a casualty loss deduction, the taxpayer must be in a federally designated disaster area.
C. Employers can no longer deduct the cost of providing qualified transportation fringe benefits.
D. Taxpayers can claim personal exemptions ranging between $2,700 and $3,700 depending filing status.

2. Select the INCORRECT statement regarding recent changes to Georgia tax law.

A. Entertainment expenses are no longer allowed as business deductions.
B. Like-kind exchanges are now limited to real estate.
C. Effective with the 2018 tax year, Georgia both increased the standard deduction and decreased income tax rates.
D. Net operating losses can no longer be carried back but can be carried forward indefinitely.

10 Things Every CPA Should Know About their Georgia Licenses* (*but were afraid to ask)

3. Select the INCORRECT statement regarding your Georgia CPA license?

A. View your license as a "life asset."
B. Use your firm e-mail address so that the State Board can identify your employer.
C. Get all of your CPE hours as the likelihood of being selected for a CPE audit has increased.
D. If you have an individual license, renew it online.

4. Select the INCORRECT statement regarding your Georgia CPA license?

A. Even if you open a practice as a sole proprietor, you will need BOTH an individual license and a firm license.
B. The GSCPA is a professional association that works to protect the value of your CPA license.
C. Letting your license go into lapsed status is the same thing as having NO license at all.
D. Accounting educators who don't practice may apply for inactive status.

Partnership Audit Bill: What You Need to Know

5. Georgia recently passed legislation that aligns its assessment and collection procedures with the IRS's new centralized partnership audit regime. All of the following are true EXCEPT:

A. Georgia partnerships must file a "federal adjustments report" within 90 days after a federal partnership audit is completed and all appeal rights have been exhausted.
B. Unlike the federal regime, Georgia does not permit a single partnership representative to make all necessary elections and related decisions associated with a partnership audit.
C. The Georgia legislation establishes necessary guidelines for statute of limitations and assessment procedures when a partner or partnership fails to report or pay the additional tax resulting from a federal audit.
D. The audited partnership, as well as any tiered partner, may elect to make a single payment to the department on behalf of all their direct and indirect partners using a process and calculation included in the legislation.

How Does Tax Reform Affect the Financial Statement Audit?

6. Auditors must properly communicate to client management and audit committees the changes resulting from enactment of the Tax Cuts and Jobs Act. Audit procedures should include which of the following actions?

A. Ensure the effective federal tax rate on deferred income tax calculations reflect the changes in future tax rates from 35 percent to a flat tax rate of 21 percent
B. Ensure appropriate valuation allowances are updated
C. Evaluate the design and effectiveness of controls that are in place to identify the client's income tax accounting systems that are impacted by tax reform legislation.
D. All of the above

Implications of the International Tax Provision

7. Under Internal Revenue Code Section §250, Foreign Derived Intangible Income (FDII) is income U.S. corporations earn over a threshold via exporting property and/or services. Which of the following statements regarding Section §250 is CORRECT?

A. Corporations benefit from a reduced tax rate on such income.
B. Corporations can potentially credit up to 80 percent of foreign taxes.
C. The deduction provided by Section 250 applies to the extent the same income was included in Georgia taxable net income.
D. All of the above

Are You Spending Enough on Your Technology?

8. Select the INCORRECT piece of advice regarding technology spending.

A. Even if you have to spend a little more, it is important that all employees have identical computers.
B. At a minimum, all professional employees should have their own fast computer, smartphone, access to a fast printer, sheet-feeding scanner, and high-speed access to the Internet.
C. At a minimum, your company should have continuous, off-site back-up for current data files, and periodic on-site and off-site archives for older data files.
D. It is imperative that you have both a technology consultant and security consultant either on staff, or on call.

The Importance of Documented Collection Procedures

9. Select the CORRECT statement from the following.

A. It would be highly unusual for an audit team to know whether or not the client is a "collection problem."
B. Each partner should be allowed to develop his or her own procedures for collecting fees from his or her clients.
C. A client who does not pay is not really a client.
D. Paying attention to accounts receivable means following the three B's: Beseech, Bedevil, and Berate.

How Manufacturers Can Use the Tax Cuts and Jobs Act to Fund Industry 4.0

10. To thrive in Industry 4.0, manufacturers must be flexible and quick to market in an increasingly complex and competitive world. Which of the following is the least helpful for helping manufacturers afford the necessary technology investment?

A. Reduction of corporate tax rates
B. Retention of the corporate alternative minimum tax
C. R&D credits
D. Increased deduction available to pass-through filers for qualified business income

Member News

PROMOTIONS & NEW POSITIONS

Rhonda Blissit, CPA was recently appointed CFO of Butts County.

Henning, Dowdy & Jones, LLC is pleased to announce that **Mallori Muhlfelder** has officially been licensed as a certified public accountant and has been promoted to tax m anager.

AWARDS & HONORS

Warren Averett, LLC is pleased to announce that **Kim Hartsock** has been appointed to serve on the Gwinnett County Planning Commission and **Missy Herbert** has been named to the American Institute of CPA's Employee Benefit Plan Audit Quality Control Executive Committee.

FIRM NEWS

Albany accounting firm **Clenney, Powell & Rentz, PC** has changed its name to **Clenney & Luke, PC.** Along with the name change, the firm debuted updated branding, including a new logo and website.

Moore Colson was recently awarded a 2018 Top Workplaces honor 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.

Maria T. Buznego, Kennesaw, Ga.

Thomas R. Thompson, Cumming, Ga.

Benefits of Utilizing Group Viewing through Live Stream

Elizabeth Hardin, 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.

As CPAs seeking CPE and professional development, we are always looking for ways to save time and money while also getting the best quality education and training offered. With that, our firm has been using the group viewing feature for live stream CPE through GSCPA for several years. Live stream, on-demand and webinars are all “the ultimate” when it comes to convenience. You do not have to travel to the live event; for live stream, you experience the live event in the comfort of your own office or conference room. A group view can be as small as two people or as large as 30. In three separate groups, our firm recently utilized group viewing for the January 19, 2018 live stream of Don Farmer’s Tax Cuts and Jobs Act of 2017.

We found it convenient with several benefits. When several staff are each streaming separately, it can slow down the internet speed for everyone in the office. Viewing as a group reduces the impact on internet speed. Another benefit is the opportunity to discuss the subject matter and confer on how it impacts the firm’s clients and practice areas. It is an opportunity to strategize about topic – especially for emerging issues. It also gives you the opportunity to vet your questions among the group before submitting them for consideration by the presenter. Some staff members simply like the fact that all they do is show up. Anytime we offer a group viewing at our firm, we provide lunch and sometimes breakfast for our participating staff.

Now for the logistics. Group viewing applies anytime more than one person views the live stream, on-demand or webinar together. Here’s is how it works. Each GSCPA member registers separately for the class. Prior to the class, the firm administrator contacts GSCPA’s CPE department via email at cpe@gscpa.org and requests the group viewing forms. You can also call the CPE Department at 404-504-2985 or 800-330-8889, Opt. 3. GSCPA will provide the following forms, which we have archived for future group viewing classes:

- Live Stream Attendance Log for Group Viewing
- Group Webcast Proctor Agreement, and
- Seminar Evaluation (to reproduce for each attendee)

From among the attendees, we designate someone to be the proctor. The proctor logs in as if they were viewing alone and is responsible for responding to all the prompts to verify participation during the webinar. At the conclusion, the proctor or firm administrator emails the completed forms to the CPE department at GSCPA. Each participant will receive their CPE Certificate via email from the CPE department.

While our firm has been using group viewing for years, it seems there is more demand recently as several firms utilized the feature for the January 19, 2018 live stream of Don Farmer’s Tax Cuts and Jobs Act of 2017. Most members had not planned or scheduled CPE in January. Enrollment for the class was high and members were looking for any way possible to save time.

As a result, GCSPA is working on a way to communicate the availability of group viewing and incorporate group viewing into GSCPA’s website. I am excited about the opportunity for other firms to participate in group viewing and to share our positive experience.

Elizabeth Hardin, CPA is the administrative partner with McNair, McLemore, Middlebrooks & Co., LLC in Macon, Ga. She began her career with the firm upon graduation from Shorter College (now University) in 1983. Elizabeth enjoys gardening and traveling.

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