

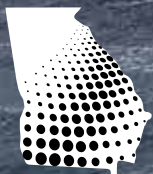


**CURRENT ACCOUNTS**  
THE GEORGIA SOCIETY OF CPAs

# ARE YOU PREPARED FOR A NATURAL DISASTER?

## ARE YOUR CLIENTS?

PAGE 8



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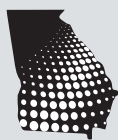
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# Importance of Celebrating Seasonal Holidays

*Boyd E. Search, CAE*



The end of 2017 is upon us and with it the holiday season. A time filled with family, feasts and frivolity. Not just our personal families, but also our work family – traditions are just as important in the workplace. This year,

GSCPA is incorporating seasonal holiday celebrations within the office, adding an element of fun and comradery.

In October, the office was decorated for Halloween, and staff members put personal touches on their own work space with decorations ranging from fun to frightening. The holiday culminated with a staff lunch, giving everyone a much-needed break, a chance to socialize and bond with each other away from computers and phones. As we move into the winter holidays, GSCPA will continue to recognize the seasonal holidays, providing.

Why are we doing this? In a word – culture. Company culture drives success of the business. Celebrations provide a break from the day-to-day grind, a way to interact with colleagues, and contribute to positive workplace experiences and motivation. Decorating an office for a holiday seems like fun and games, which it is, however, it also contributes to team building. Staff

members who may not normally work together on a project find themselves stringing cobwebs over a desk and while doing so, chat about their day, what they are doing, and new ideas are born.

It's easy to get bogged down in the daily routine, letting stress build, especially during the holiday and year-end season. Celebrations and events within the workplace not only give us an opportunity to recognize and thank our staff for their unending hard work and dedication, but deliver a stress release, a chance for them to clear their minds, even for an hour.

I love how the staff came together for the Halloween decorating and genuinely had a great time doing it. They reflect the positive workplace we strive to maintain. I see no reason why work and fun can't go hand-in-hand. Simply having decorations around boosted spirits and created conversations that would not have happened if we didn't encourage individual creativity. And, adding a contest to the decorations didn't hurt either! Everyone love a little friendly competition.

Humor and fun in the workplace should be a year-long initiative to keep morale and positivity at the top of the culture. And, it doesn't have to center around holidays. After all, there are themed days throughout the year, such as "Talk Like a Pirate Day" in September or "National Olive Day" in June.



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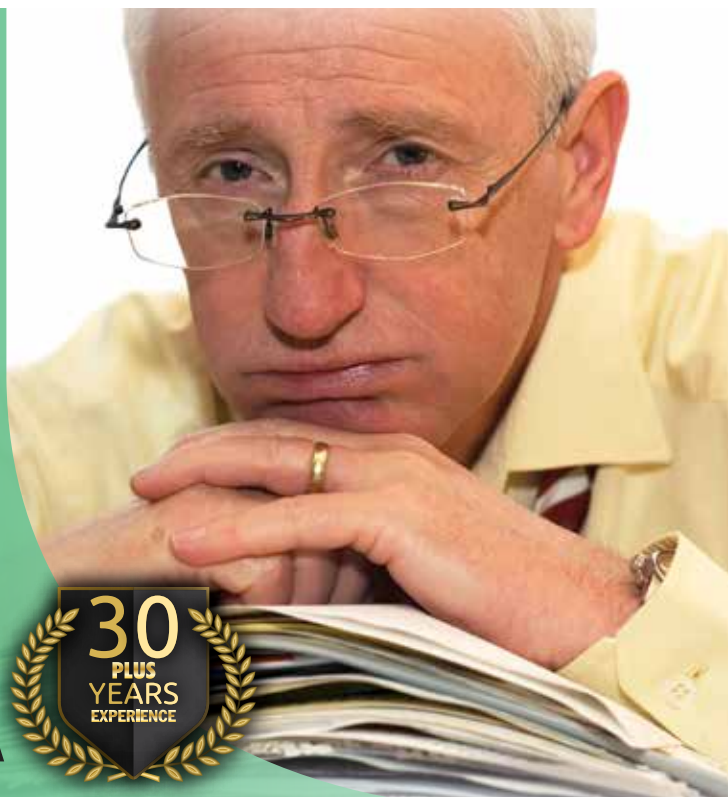
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# Protecting Our Brand

*Rodney L. Chandler, CPA*



I remember taking the CPA Exam as a senior in college. I remember taking it again after I had started work. And I remember taking it one more time before I passed it all. Third time was the charm! The moment I opened the envelope to see those beautiful passing grades will always be etched in my mind. For every one of us

who holds the CPA certification, the confirmation of passing the exam will be an experience never to be forgotten. We studied, we learned, we agonized, maybe we prayed. In the end, we passed and we celebrated.

I remember where we went for my celebration, even now 25 years later. My firm at the time treated their new CPAs to a night on the town, and this small-town guy had the pleasure of eating his first Ruth's Chris steak in the big city. That sizzling goodness and time spent with the firm's partners was a great way to mark the accomplishment.

Passing the CPA exam is a great personal achievement and it marks a milestone in our professional journey. It represents our mastery of the body of knowledge, it highlights our personal dedication to set a goal and work hard to achieve that goal, and it immediately distinguishes us from our peers. Passing the CPA exam carries personal meaning to us, and holding the CPA designation conveys a strong message and meaning to others.

Business leaders continue to recognize the CPA brand as trustworthy. As a profession, our CPA designation – our 'brand' – continues to represent the ideals of our profession. Our brand still represents the foundational concepts of independence, objectivity, high ethical standards, serving our constituents, and protecting the public trust. The CPA profession has worthy and lofty ideals recognized and valued

in the marketplace. More specifically, employers and clients value our objectivity and independent thought.

The current world is characterized by what some call 'fake news,' hackers manipulating our personal news feeds, and everyone having nearly instant access to everyone else's opinion through social media. In this world, the value of our profession's objective, independent minded analysis has never been more valuable. People trust CPAs, and for good reason.

Passing the CPA exam distinguishes each of us from our peers. The CPA brand continues to provide comfort to all our constituent groups. It falls on each of us to consistently protect and enhance the credential and the profession's reputation by continuing to provide independent thought and objective advice. Every day we should strive to live out our profession's ideals with our employers or within our firms. These ideals are a high calling, and they set us apart from the rest.

Belonging to The Georgia Society of CPAs is another distinction that sets us apart. Even above holding the CPA credential, membership in the Society shows that you understand the importance of pursuing the ideals. It shows your dedication to the profession. The Society manages and handles the larger issues that face our profession, whether legislative or regulatory, or the promulgation of standards, so that we all can focus on the things that are most important in our own worlds – serving our constituents (the public, clients or employers, and the profession itself) while upholding high ideals.

The CPA designation carries weight because we all showed a dedication to learn, and a further dedication to standards. We worked hard as individuals to earn the credential that we carry. As members of a high profession, we need to work hard as a team to protect and enhance our credential.





# ARE YOU PREPARED FOR A NATURAL DISASTER? *ARE YOUR CLIENTS?*

If you feel like the past year has been a bit apocalyptic – hurricanes, wildfires, earthquakes and a tornado or two – you’re not alone. Natural disasters make Americans anxious. A 2016 YouGov survey revealed the greatest concern for individuals among catastrophic events is the potential of a natural disaster (32 percent), such as a hurricane, tornado, flood or wildfire, affecting their community.

Despite those fears, a 2017 survey by Nationwide Insurance revealed a majority (68 percent) of small-business owners don’t have a written disaster recovery plan, even though about half (49 percent) said it would take their business at least three months to recover from a natural disaster.

Even if you or clients haven’t experienced a natural disaster – yet – you need to understand what happens when a disaster strikes. Will you get help from the federal government? Will you get relief from the IRS? How will your business be impacted?



by Natalie Rooney

## Disaster Management in the U.S.

Disaster management and recovery seem like they should be straightforward:

1. There's a disaster.
2. Everything is a big mess.
3. The government cleans it up.
4. Business as usual resumes.

Except it doesn't work quite that way. Really specific events and protocols need to take place, so don't assume that when a hurricane hits or your town is on fire it will be declared a disaster area.

A major disaster declaration usually follows these steps:

- Local government responds, supplemented by neighboring communities and volunteer agencies. If overwhelmed, they turn to the state for assistance.
- The state responds with state resources, such as the National Guard and other state agencies.
- At this time, damage assessment is done by local, state, federal and volunteer organizations determines losses and recovery needs.
- If warranted, a major disaster declaration is requested by the governor, based on the damage assessment, and an agreement to commit state funds and resources to the long-term recovery.
- The Federal Emergency Management Agency (FEMA) evaluates the request and recommends action to the White House based on the disaster, the local community and the state's ability to recover.
- The President approves the request or FEMA informs the governor it has been denied. This decision process could take a few hours or several weeks, depending on the nature of the disaster.

A Presidential Major Disaster Declaration puts into motion long-term federal recovery programs, some of which are matched by state programs, and designed to help disaster victims, businesses and public entities.

## Cue the IRS

It's not until the president declares an area a disaster that the IRS can take any action to grant extensions, says Gerard H. Schreiber, Jr., CPA, a partner at Schreiber & Schreiber CPAs

in Metairie, La. Schreiber, also known as the "CPA Master of Disaster," became an expert in disaster relief after Hurricane Katrina struck in 2005.

Schreiber says no one had any idea about processes for extensions prior to Katrina. "No one had been through anything of Katrina's magnitude – not the IRS, not CPAs. I was on the phone with the AICPA and the IRS about filing delays. That's what started the conversation."

Those conversations with the AICPA and the IRS and what they all learned together after Hurricane Katrina have shaped much of what now happens after a disaster. "There were extensions granted prior to Katrina, but the system was never tested to that extent," he says. "Now there's a mechanism to help everybody through this whole process."

After an area is declared a disaster or emergency, the IRS can provide "a reasonable level" of tax return filing and payment relief.

If an individual or business has been affected by a federally declared disaster, the IRS may help by:

- Allowing additional time for filing original returns and making payments and, in some circumstances, waiving interest and penalties if the disaster has caused the taxpayer to file or pay late.
- Providing free copies of transcripts of previously filed returns.
- Expediting refunds from claiming casualty losses related to the disaster on the tax return for the previous year, usually by filing an amended return. (There are time limits to this election.)

CPAs with clients on extension with zip codes outside of the disaster area but whose records are located in the disaster area also qualify for relief.

Individual assistance is available for individuals and businesses in need of temporary housing, unemployment payments, housing repairs, medical assistance and similar types of benefits. The IRS postpones tax filing and payment deadlines only if individual assistance is given.

**Disaster, continued on page 10**

Public assistance is available to state and local governments for the repair or replacement of disaster-damaged public facilities. The IRS does not systemically postpone tax filing and payment deadlines when only public assistance is given.

### Will a Business Recover?

According to FEMA, more than 40 percent of businesses never reopen after a disaster, and for those that do, only 29 percent are still operating after two years.

Ben Lee, CPA, is managing partner of Coastal CPAs LLC on St. Simons Island, one of Georgia's barrier islands. Hurricanes don't strike the area very often, however the island had the dubious honor of experiencing two within 11 months: Matthew in October 2016 and Irma in September 2017. Preparation was key for both storms.

In early 2016, Lee had his IT person develop a private cloud for the firm. As a result, when mandatory evacuation for Matthew occurred, Lee and his team were able to continue working in other locations.

Coastal CPAs also had a disaster plan, and when it was forecast that Irma would produce potentially devastating flooding, Lee knew it was time to implement the plan. The day before the evacuation, staff scanned every document (the firm went paperless in 2007, but had fallen behind in scanning) and packed everything else into storage containers, before leaving the island. "Thanks to the disaster plan and the cloud, we were still able to work as before," Lee says.

The storm hit on Monday, Sept. 11. There was no water, sewage or electricity for 10 days. They returned to the office on Friday, Sept. 15, just in time for the extended filing deadline. Without the assurance that the IRS would grant an extension, they worked to get all the returns completed.

On Tuesday, Sept. 19, the IRS announced that Hurricane Irma victims in the entire state of Georgia would have until Jan. 31, 2018, to file certain individual and business tax returns and make certain tax payments. "We'd already finished. Typical," Lee laughs. "But you can't take a chance. You could have a lot

of damage and not qualify for an extension, so you just have to do the best you can do."

Lee says working in the cloud environment was critical for them as they kept the business going during the storm. In fact, moving to the cloud is Lee's top tip for those who aren't there already, even if they're not in hurricane territory. "Your building could burn down. There are tornadoes and other types of storms. And it could all be gone unless you're storing your information off-site in the cloud," he cautions.

Lee also suggests having a written disaster plan. "When a disaster strikes, you don't have time to waste. You have to determine the most critical things, get those done, and then evacuate." He also says to be sure everyone has enough time to get home and secure their personal property.

Darrell Thaw, CPA, CGMA, and Debbie Thaw, CPA, CGMA, own a CPA practice on St. Simons Island and say they've had many storm scares to plan for over the years. "Hurricanes are unpredictable," Darrell says. "It's always in the back of your mind that you need to be ready to gather up your most precious belongings and bug out."

Debbie says Irma's timing was difficult because of the Sept. 15 extension deadline. "We still had some returns out there on extension," she says. "We didn't have internet for two weeks after the storm and were unable to file. And until FEMA makes that declaration, you're not covered. We knew they should declare a disaster, but there was no guarantee they would."

Darrell adds that the penalties for missing the deadlines are pretty significant. "You file to the best of your ability and then amend. The hurricanes don't just kill a day or two. They kill two weeks. You can't get your people back to work. Utilities and internet aren't back up to snuff. You lose a lot of productive time, not just a day or two like you see on the news."

With a lot of lost revenue in September – not just for a day or two, but a few weeks – small businesses suffer. "We have a couple right now that I'm questioning whether they'll recover," Darrell says.

## Preparing for a Disaster

Schreiber, Lee and the Thaws say disaster preparation is key.

- Back up everything. And then physically take it with you or protect it.
- Go paperless and use the cloud.
- Think ahead. Have a plan and be ready to act on it.
- Communicate with employees before, during and after. How will you make communication happen? Cell phone? Land lines? A lot of those will be down, as well.

## The Aftermath

After a disaster strikes, rebuilding will take time. “It’s going to be a learning process,” Schreiber says. “Take it one step at a time.

This has happened before and the communities have recovered.”

First and foremost, find a place to live and start the recovery phase of your personal life. If your home flooded, register with FEMA, contact your insurance company and start the remediation process by limiting the damage and getting three contractor bids. Get a large envelope or plastic freezer bag that you can use to keep the many small receipts for clean-up and repair supplies that are already adding up. “This is the most important part of restoring a comfort zone for your life,” he says.

When you’re ready, start the recovery phase of your practice. Contact all clients and assure them you are there to assist them in the recovery phase of their businesses, and will be available to help with recovery and the filing of the necessary tax forms to claim a casualty loss deduction.

“Communicate to clients that an important part of the recovery process and tax deduction is to have good records,” Schreiber advises. “These will be needed for income tax purposes and may be needed for insurance and FEMA purposes.”

In the end, while proper preparation is critical, there’s no way of knowing the extent of what you’re up against. “Until it’s happens to you, you are unaware of all the things associated with a disaster,” Schreiber says.

## AICPA Renews Call for Permanent Tax Relief When Disasters Strike

The AICPA has long supported the implementation of permanent disaster tax relief provisions. In the aftermath of Hurricanes Harvey and Irma, there is speculation that permanent disaster relief tax provisions might be considered by Congress, either as standalone legislation or as part of a tax reform package.

On Sept. 5, the National Disaster Relief Act (H.R. 3679) was reintroduced by U.S. Reps. Tom Reed (R-N.Y.) and Bill Pascrell (D-N.J.) to help victims of natural disasters recover faster with tax relief to alleviate cleanup and rebuilding expenses.

The AICPA in July called on Congress to make 10 tax provisions permanent to help disaster victims. They range from waiving individual casualty loss limitations to increasing expensing limits, and allowing a full or partial housing exemption for displaced individuals. “Because tax relief is dependent on Congressional action after every disaster, it has been available only sporadically,” the AICPA said. “The CPA profession believes Congress should provide fairness, certainty and consistency with permanent tax relief measures that automatically apply once the President issues a disaster declaration.”

## Resources:

### FEMA: Disaster Declaration Process

[www.fema.gov/disaster-declaration-process](http://www.fema.gov/disaster-declaration-process)

### AICPA: Disaster Recovery Guide

[www.aicpa.org](http://www.aicpa.org); Click Interest Areas > Personal Financial Planning > PFP Resources > Consumer Content > Disasters: Planning Ahead and Recovering

### IRS: Tax Relief in Disaster Situations

[www.irs.gov/newsroom/tax-relief-in-disaster-situations](http://www.irs.gov/newsroom/tax-relief-in-disaster-situations)

**Natalie Rooney**, a freelance writer from Colorado, has been writing for state CPA societies for 15 years. She can be reached at [nrooney@centurytel.net](mailto:nrooney@centurytel.net).



# House Bill 337: State Tax Execution Modernization Act of 2017

*Scott Purvis*

For the 2017 Legislative Session, the Georgia Department of Revenue launched an initiative that will modernize the process by which tax liens issued by the Department of Revenue are filed, recorded and searched. The Georgia Legislature passed House Bill 337 earlier this year and it was signed by the governor in May. The new law becomes effective on January 1, 2018, and the Department of Revenue is finalizing regulations that will implement the processes and procedures for the new law.

HB 337 was introduced with the Georgia Department of Revenue (DOR) partnering with the Georgia Superior Court Clerks' Cooperative Authority (GSCCCA). The intent of this new law, is to move from a paper driven system to an electronic system.

Currently the State Tax Lien recording process is an arduous task. First, the lien must be printed as a pdf form. That part is easy. What happens next is the lien must be mailed to each of the 159 counties in the State for recordation. In addition to the manual handling of the paper lien is the billing process. Each Clerk of Court must be paid prior to recording the lien. So, a voucher is created by DOR to request payment of the recording fees. A check is then mailed to the Clerk of Court and the liens

are recorded. After entry into the General Execution Docket the original lien is mailed back to DOR.

The new process allows DOR to electronically transmit the lien to GSCCCA in a nightly batch. An acknowledgment notifies DOR the batch was processed and the payment is initiated for the entire batch. No paper lien, no mail, no paper billing.

In addition, the law also changed the current Statute of Limitation on recorded tax liens. Currently, once a lien is recorded, it remains active for seven years. If the DOR cannot locate any assets to levy upon before the end of those seven years, the DOR can then have the lien "re-recorded." This is done by an entry into the GED called a Nulla Bona, a Latin legal term meaning "no goods." Currently, the Department can request an entry of Nulla Bona every seven years into perpetuity.

The new law changes the Statute of Limitations to 10 years, with no re-recording entries. Any lien filed after January 1, 2018 will expire 10 years from the date of filing with no renewal. There are certain provisions to extend that statute. Any installment agreement between the taxpayer and the Department extends the duration of the Statute plus 90 days. For example, a taxpayer enters into an Installment Agreement

one year after a lien is recorded. The installment agreement is for 60 months. The statute is then effectively 10 years, plus the 60 months, plus 90 days.

Also extending the statute would be any court ordered stay, such as a bankruptcy case. Another instance is when an Offer in Compromise is submitted; the statute is extended by the amount of time taken to consider the application.

The Department has also created a search portal thru the GSCCA website. A taxpayer can search for any recorded DOR liens. Remember, once a lien is recorded it is considered public information. This search function will allow individuals, real estate attorneys, and financial institutions to see if an individual (or business) has an outstanding DOR tax lien. If an individual wants to pay off a tax lien, a link will be provided to redirect them to DOR's website and payment may be made electronically. Real estate attorneys can register with DOR as a third-party payer- and pay off a lien using their escrow account.

The Rules and Regulations that accompany this law have not yet been certified. System development of the system is underway and will be tested in November and December. The effective date for the law is January 1, 2018. Please stay tuned as we look forward to completion and to the launch date.

**Scott Purvis** began his career with Department of Revenue in 1994. He worked as a revenue agent, offer in compromise specialist, regional supervisor, regional manager, program manager, assistant director and became the director of compliance in August 2017. Scott and his wife Donna have been married for 24 years and have a son in high school and a son at UGA.

# Living with the New Lease Standard

*Jeff Sailor, CPA*

The FASB has issued its long awaited new standard on accounting for leases and, contrary to popular belief, this is not the seventh sign of the apocalypse. It's true that the exposure drafts leading up to this final standard contained some very difficult and questionable concepts, but those concepts did not make their way into the final standard.

That said, many practitioners will still find the core principle of this standard to be somewhat of an annoyance. That principle will essentially put all leases on the balance sheet of the lessee. Why would the FASB want that when most practitioners love the simplicity of an operating lease? The simple fact is that operating leases represent off-balance sheet risk and stakeholders have expressed the need for greater transparency.

The good news is that, while there are minor changes in various areas, the core guidance for accounting for leases basically did not change.

The classification of leases is still based on the five criteria under current guidance with a few minor adjustments. A lessor will still have three categories of leases and a lessee will continue to have two categories, although a "capital lease" will now be called a "finance lease."

The basic accounting for the lessor has not changed: however,

there will be some issues for integration with the new revenue standard.

For the lessee, finance leases will be handled similarly to the old standards for a capital lease.

So, let's look at what did change. First, we have a new definition of a lease. The standard defines a lease as "a contract, or part of a contract, that conveys the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration." Thus, we will now refer to the leased property as a "right-of-use asset."

When you think about this, it makes sense. You lease a car and put it on the balance sheet. You don't actually own a car, but instead you have the right to use the car for a period of time.

Thus we see that the lease is clearly an intangible asset. Now, perhaps we're splitting hairs in accounting theory land, but it is a more accurate description of what is happening economically.

The result of this will be minor as you will now have, when applicable, amortization instead of depreciation.

So let's look at the changes for the lessee. First, all leases, both finance and operating, will go on the balance sheet. The only exception to this rule will be for a lease with a term of twelve months or less. That lease term will include not only the non-



cancellable portion of the lease, but also any optional periods that the lessee is reasonably certain to exercise. When you consider that criteria, you quickly realize that even a simple month-to-month lease will most likely exceed a twelve-month lease term.

For any lease over twelve months, both finance and operating, the lessee will record a right-of-use asset and a lease liability. The liability will be valued using the present value of the lease payments. These will include certain variable payments, a purchase option when reasonably certain to be exercised, probable residual value guarantees and certain other fees. The right-of-use asset will be valued at that same amount plus any initial direct costs.

Subsequent treatment will be determined by the classification of the lease. For a finance lease, you will recognize amortization of the right-of-use asset and interest expense on the lease liability. There will be no “lease” expense. This is very similar to the current treatment.

For an operating lease, you will recognize a straight-line lease expense over the lease period based on the total cost of the lease. This is not the same as amortization or depreciation, as those would be based on the asset rather than the total cost.

Where this gets a little strange is the interaction with the asset and liability. Over time, interest is accrued on the lease liability. This is added to both the lease liability and the right-of-use asset. Payments reduce the lease liability. The right-of-use asset is reduced by the same amount as the straight-line expense. Thus, at the end of the lease, outside of residual values, you would have no asset and no liability.

A potential problem could exist with the effect on balance sheet ratios. Consider a retail business who is leasing space in a shopping center. That business will now be required to put that lease on their balance sheet. This will most likely have a very negative effect on their debt-to-equity ratio and could create problems for any loan covenants they may have. While this is a very real scenario, many banks are already aware of this and are in the process of rewriting loan agreements to address this issue. As a practitioner, you should discuss this issue with your clients and their banks to avoid any surprises when the standard becomes effective for non-public entities in 2020.

While the new lease standard will create a few challenges for practitioners, lenders and others involved in the accounting process, those challenges can be overcome with proper planning with the result being a reasonable approach that better reflects the rights and obligations of the entity.




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**Jeff Sailor, CPA** earned a Masters Degree in accounting with an emphasis in auditing from the University of Florida in Gainesville. He passed the CPA exam on his first attempt in 1981. Following graduation, Jeff joined the auditing staff at Peat Marwick in Jacksonville, Fla. where he worked on a variety of large, national corporate accounts. In 1984, he started his own full-service accounting practice in Ocala, Fla. His clientele ranges from small retail businesses to diverse national corporations. Jeff is also AICPA Peer Reviewer and has developed auditing techniques, as well as auditing software.

# CFOs' Growing Role: Culture Champions

*Neil Amato*

The title says “financial” squarely in the middle, yet CFOs these days are doing far more than overseeing an organization’s standard reporting. Increasingly, the changing remit of the finance chief includes a greater role in shaping corporate culture.

Finance executives say culture can take on a number of meanings, from smaller things such as a company’s dress code or its social media presence, to key values such as integrity and transparency. And while a CFO certainly sets a standard for the finance team first, the role of shaping culture goes company-wide.

CFOs should assist the CEO in establishing the company’s code of ethical conduct so that employees in all departments follow the C-suite’s lead. If there is a lack of emphasis on ethics, “it can spin the organization into trouble” in the eyes of employees, shareholders, customers, and regulators, according to Mark Biersmith, CPA, CGMA, a partner at Andre + Associates PC in Dallas.

CFOs can also model behaviors that go beyond must-haves such as integrity. Slightly more than half (51 percent) of CFOs are at least somewhat involved in shaping corporate culture, according to a recent survey of US finance chiefs by staffing firm Robert Half.

The main ways CFOs go about being culture leaders, according

to the survey, are by:

- Using company principles and values to guide actions (83 percent)
- Contributing to the development of the company’s mission (79 percent)
- Collaborating with other executives to define the desired culture (78 percent)
- Speaking regularly with employees about culture (76 percent)
- Contributing to training and onboarding programs (72 percent)

## Hiring as Part of Culture

CFOs who want to uphold and grow a company’s culture can use strategic hiring to accomplish that goal, according to Duncan Brodie, FCMA, CGMA, managing director of training provider Goals and Achievements. He said finance chiefs should not be afraid to hire people who might someday ascend to the CFO role.

“If you hire people who are better than you, hire people who have got high expectations, it raises the standard right up the line,” Brodie said. “Hire people who are smart and driven, and they’ll keep you on your toes.”

Biersmith agreed, saying that culture and hiring go hand in hand. CFOs should ensure implementation of culture to enable the organization not only to retain staff but also to attract and hire new talent.



Building culture can also help better position a CFO for a CEO role. And that demonstration of non-financial acumen is critical for those looking to ascend to the CFO job. Showing support for employees, treating them with fairness and respect, and communicating how their work matters go a long way in modelling culture, Brodie said.

“You don’t get to a senior level in accountancy by being good at doing numbers,” Brodie said. “You get to a senior level because you’ve got good people skills. You can manage, you can lead, you’ve got strong interpersonal skills and can build relationships, and you understand how businesses work.”

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**Neil Amato** (Neil.Amato@aicpa-cima.com) is a *CGMA Magazine* senior editor.





# GSCPA Members Prepare for Change: Highlights from the Technology Conference

*Thomas G. Stephens, Jr., CPA, CITP, CGMA*

The pace of technology changes continues to accelerate, and there seems to be no end to this revolution in sight. Of course, these developments affect virtually all business professionals and accounting professionals are certainly not immune to this worldwide tidal wave of changes. To that end, Georgia CPAs chose to participate in The Georgia Society of CPAs Technology Conference in July so they could learn more about what is happening in the world of technology and how they can capitalize on the opportunities that will inevitably materialize.

The Conference opened with *Tech Update*, a high-level discussion of some of the more significant developments and general trends being experienced now and expected in the future. Some of the major issues discussed in this session included hardware, security, changes emanating from Microsoft, Cloud-based services, and a peek at “future” technologies, such as 5G cellular connections, blockchain, and natural language queries. Key takeaways from this session

included how to respond to the daily security challenges accountants face, understanding the new world of Windows as a service, and how enterprise architecture and service oriented architecture are changing the way software is developed.

Morning breakout sessions provided attendees with the opportunity to participate in *Excel Guru – Tips to Make Your Head Spin* and *The CPA Firm of Now*. In the CPA firm-centric session, workflow technologies, collaborative accounting, business intelligence tools, and security options were identified as some of the tools practitioners should be paying attention to and adopting to improve client service and firm profitability. Additionally, participants reviewed the results of the most recent CPA Firm Operations and Technology Survey to learn how their firms compare to their peers. Attendees who chose to participate in the Excel breakout session instead learned about some of the extraordinary features available in Excel, including working with CUBE formulas, new features in Excel 2016 such

as Forecast Sheets, saving complex formulas for future recall using AutoCorrect, and the power and flexibility associated with Excel's AGGREGATE function. Participants in this session also learned how to add Slicer filters to Tables and PivotTables to both speed and simplify filtering processes and the value of the features found in Excel's Analysis Toolpak.

Following lunch, attendees participated in breakout sessions titled *Detecting and Preventing Computer Fraud* and *Hot Tech Tools, Apps & Services*. Those who participated in the fraud session learned first about the prevalence of fraud in business today – according to the Association of Certified Fraud Examiners, fraud consumes approximately five percent of gross revenues – and some of the more common types of schemes and how the perpetrators commit these crimes. Next, participants learned how to respond to these risks using tools they already own, such as Excel and Access, to detect and prevent fraud by applying fraud tests to their accounting transactions. Participants in the tech tools and apps session learned about a mixture of technologies that can solve specific problems, not only at the office, but in the home also. For example, participants learned how Powerline adapters can use the electrical wiring already in your home or office to provide network connections – including Internet connections – without having to install Ethernet cables or add WiFi routers.

The closing session for the Conference – *Security Blocking & Tackling* – provided participants with a detailed look at the major security issues facing accounting and financial

professionals and the actions they can and should take to mitigate these threats. Issues such as ransomware, phishing attacks, social engineering, and the security issues associated with mobile devices were all discussed in detail. More importantly, participants learned how specific solutions such as team member training, encryption, the need for long-and-strong passwords (and password management software to help us create, track, and manage our passwords), multi-factor authentication, and Data Loss Prevention (DLP) tools can be used to help maintain the security, privacy, and integrity of sensitive information, no matter the size or type of organization involved. Other tactics discussed as potential means of mitigating security risk included ensuring that all operating systems and applications on each team members' computers stay fully patched and why each team members should log-in to their computer using "standard" rights instead of "administrative" rights. In addition, the importance of securing mobile devices – such as smartphones and tablets – was a focal point of this session because of the increased risk profile of these devices.

We all know technology continues to change at a breakneck pace. Some of the changes we see taking place offer business opportunities and, of course, some present business challenges and risks. For these reasons, astute accounting and financial professionals will continue to make technology a core component of their education curriculum and will choose to participate in programs such as the Technology Conference.

We hope to see you in 2018!




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**Tommy Stephens** is a shareholder in K2 Enterprises, where he develops and presents continuing professional education programs to accounting, financial, and other business professionals across North America. He was one of the presenters at the GSCPA's Technology Conference. Feel free to contact him at [tommy@k2e.com](mailto:tommy@k2e.com).

# Disaster Recovery: Lessons from Harvey and Irma

*Scott Teel*

With recovery operations in Texas, Florida and Puerto Rico still underway, we have already begun identifying key lessons from our customers' experiences in the affected areas. Below you'll find a handful of takeaways that can help your institution improve resilience in the face of regional disasters, as well as smaller isolated incidents.

## #1: Know Your Power Requirements

Approximately 60 percent of all business interruptions to which we respond involve the loss of power, whether the event is naturally occurring or man-made. However, before any organization can help provide temporary generator power, you must first be able to identify and communicate your power needs. Below you'll find questions you should investigate TODAY with the assistance of a licensed electrician.

1. What phase is your electrical service? (Is it single or three phase?)
2. What voltage is your service? (Typically, 208v, 240v or 480v)
3. Is your power requirement for a Wye or Delta generator?
4. How many amps do you need to power key systems? (Tip: Determine your peak Amperage draw over the past 12-24 months)
5. What size generator will be required? (How many kW will your needs demand)

6. Does your building have a power transfer switch? (If no transfer switch has been installed, you will need to consider other options, such as hardwiring or a spider box)

## #2: Ensuring Access to Multiple Vendors

During a normal business day, you rely on at least half a dozen different vendors to perform critical operations, including internet providers, wireless providers, and IT professionals who support your networking capabilities, applications and data. During times of disaster, these same entities can become potential choke points of recovery operations, as they are often overcome with requests from their customers. Therefore, we recommend having identified and built relationships with alternate vendors for any elements deemed critical to basic operations. Also, consider diversifying cellular carriers among your staff to provide some diversity in communications access and establish SLA's (Service Level Agreements) with third party IT providers to ensure clearly outlined timeframes and policies for providing services during large scale regional events.

## #3: Failure to Prepare Employees and Maintain Awareness as to Their Condition

We often stress the need to consider the impact of regional disasters on employees and their families. If an employee's family is impacted by a disaster event at home, they are far less likely to return to work. Additionally, as we saw in advance of

Irma, evacuations (both voluntary and mandatory) can scatter employees in all directions. You should institute some form of reliable communication with employees to remain aware of their whereabouts and well-being. Without knowing where employees have relocated, understanding their timeline for returning to work and their capability to do so is limited. If a large portion of your staff are hourly wage employees, you must consider the likelihood of some employees seeking work elsewhere if you are unable to help them bridge the financial gap when they are out of work. Some of our customers have lost up to 60 percent of their workforce literally overnight when they learned of delays they could face in returning to work and earning a living wage again.

For those that DO have a sufficient plan for keeping employees connected and working, remember that during times of recovery, you can expect longer shifts, odd hours and some departments being short-handed. Therefore burnout, fatigue and poor training are all threats to your workforce's capability to perform. Consider reaching out to retired employees during times of recovery for additional help, or have a staffing agency available. Additionally, schools are often closed for extended periods of time, so providing on-site childcare is a very common need we discover. Lastly, if your recovery strategy hinges on one person, or a small group of informed personnel, that is an immediate red flag. Make sure you build enough redundancy in to the "people" responsible for helping your organization recover.

## #4: Communications: The Keystone of any Successful Recovery

No recovery can commence without effective, efficient communications. During regional events, the challenges increase as telecommunications are among the most likely services to fail. Therefore, having secondary and tertiary methods of communicating with each target audience is imperative. Consider the following:

- 3rd party texting application for sending messages to different smartphone platforms over WiFi when cellular networks are down
- Backup email addresses for all employees through free services like Gmail, useful if your primary email server fails
- Updated emergency contact information for loved ones of your employees

## #5: Proper Insurance Coverage

One lesson that will continue to be learned following every disaster is the issue of proper and complete insurance coverage. Remember, the National Flood Insurance Program covers flood damage, but not the costs of recovering your business or any lost revenue. Therefore, be sure to understand the maximum damages payable in each scenario, and seriously consider obtaining business interruption policies and added expense coverage. This coverage will help replace lost revenue and offset costs related to recovery, such as replacement equipment, temporary lodging or office space, generators, fuel and travel expenses.




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**Scott Teel** is the senior director of corporate communications at Agility Recovery, where he leads both the team member enablement throughout the organization as well as content development and training initiatives with audiences both inside and outside the company. He orchestrates the various educational programs conducted in partnership with FEMA, the U.S. Small Business Administration, and the dozens of national trade associations with which Agility partners.



# Equifax Breach: What You Need to Know

*Craig Rhinehart*

You've probably seen recent news reports about the cyberattack on Equifax that compromised the personal information of millions of Americans. However, with the increased frequency of data breaches in the news it's possible that you haven't paid attention. You should pay attention to this one.

## What Happened?

On September 7, 2017, Equifax, Inc. announced a "cybersecurity incident potentially impacting 143 million U.S. consumers." That number was revised to 145.5 million on October 2. As of this writing, the U.S. population is just over 326 million. That means that if you're an adult reading this article, odds are you have been affected by this breach and need to take action. The good news is that Equifax has done a nice job with their response.

## Why Does Equifax Have My Information in the First Place?

Equifax is a credit reporting agency whose role is to collect information from creditors and pass it along to other (potential) creditors. If you've ever applied for a credit card, taken out a loan, or otherwise participated in general society in the past twenty years or so, credit reporting agencies know something about you.

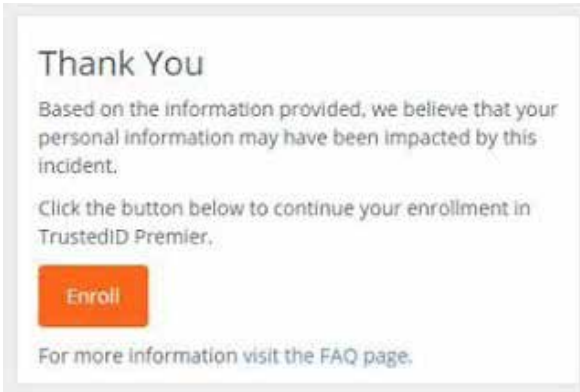
## OK, I'm Paying Attention Now. What Do I Need to Do?

*Be suspicious of emails that claim to be from Equifax.* A wise precaution is to be suspicious of any emails claiming to be updates from Equifax or connected to the breach. When consumers are worried about a particular topic, cyber-criminals pounce on the opportunity to flood inboxes with bogus emails purporting to be related to the issue – hoping that the excitement will cause the recipients to let down their guard for just a moment and click on the sender's cleverly-

crafted email. Consumers that do are typically taken to a fake website where they are asked to login or confirm some personal information. (*Sigh.* I know... it's a scary world we live in.)

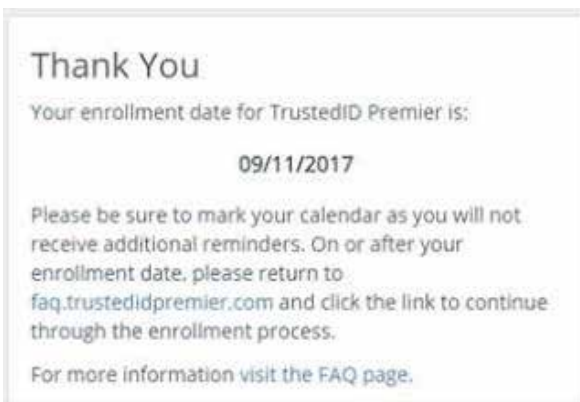
Note that I didn't say that you should absolutely not click links in any emails. In fact you will have to do so if you follow the suggestions in this article. Just do so with great caution. As an example, just today I responded to the last step in my signup for the Equifax protection product (more on that in a moment). I received an email that looked like it was from Equifax, but I wasn't 100 percent sure it was legitimate. To make sure I went to Equifax's website (by opening my browser and typing [www.equifax.com](http://www.equifax.com) – not by clicking in the email I was already suspicious about), found the telephone number and called them to ask about some aspects of the email – like the URL (web link) that was included. When everything checked out I then felt confident enough to click the link in the email.

*Check to see if you are affected.* Equifax has created a website and call center for this incident. The website is [www.equifaxsecurity2017.com](http://www.equifaxsecurity2017.com) and the telephone number is 866-447-7559. It's worth a few minutes of your time to review the information on that site. The format of that page has changed at least once since they established the site, but look for a link that says something like "Am I Impacted?" to determine whether or not your information was compromised. Click it and follow the instructions on the next page(s) – you'll have to provide your last name and the last six digits of your Social Security Number, then jump through some Captcha hoops to prove you aren't a robot. The site will then inform you whether or not you are affected by the breach. If your information was likely affected you'll see a message similar to the one below. Note: some of the screens may have changed since I performed these actions shortly after the announcement.



*Sign up – even if you aren’t impacted.* Equifax is offering free identity theft protection and credit file monitoring to all U.S. consumers – not just to those affected by the breach. This product is called Trusted ID Premier, and it provides five separate services - again, for free: credit reporting, three-bureau credit file monitoring, credit report lock, social security monitoring, and identity theft insurance. Whether or not you are affected by the breach you should look for an enrollment link on the Equifax site. Currently the link says “Enroll to Protect & Monitor Credit – Free.” Be aware that you will have to go through some back-and-forth via email, take some action after a specified date (without any further prompting), and then wait for a few days (I took my first action on September 8 and received my final activation email on September 23). At least this was my experience. I suggest making careful notes during your sign-up process - this is important stuff!

My initial enrollment confirmation screen looked like this (on September 8). As you can see I had to visit the specified site a few days later in order to continue the process.



Once I enrolled, it was another week and a half before I received my confirmation email, where I had to click a link (this is when I called Equifax to confirm the email was legitimate) and supply some personal information in order to complete the sign-up process.

*Consider freezing your credit.* Many knowledgeable advisors suggest that you consider freezing your credit. It’s not a no-brainer but it’s worth exploring. It may cost a few dollars and be inconvenient the next time you want to borrow money or buy something on a new credit account, but it offers some great protection. You’ll need to tend to this with each of the credit reporting agencies. I won’t try to cover those steps here, but just do an internet search on “how to freeze my credit” for lots of helpful information. Note: I’ve seen a movement on social media to encourage the major credit reporting agencies to allow consumers to freeze their credit with a single request (rather than having to contact the agencies individually) and at no cost in response to the Equifax incident, but I do not believe that movement has gotten any serious traction.

*Consider identity protection services.* Paid services exist that claim to help protect you from identity theft and even help you to remediate the situation if you are a victim. The use of one of these services is sounding better and better.

### I’m a CPA. Is This a Client-Service Opportunity?

I view this as a relationship-building opportunity – one in which you can demonstrate to your clients (and potential clients) that you are watching out for their best interests. I suggest passing along this helpful information at no cost. Take the information provided in this article and compose an email for your clients, link to it in a blog entry, or post it on social media or on your firm’s website. Just get the word out!



**Craig Rhinehart** is chief information officer for Robinson, Grimes & Company, PC in Columbus, Ga. Craig has been with the firm for 20 years and manages the firm’s computing environment. The IT department also provides technology consulting services to the firm’s clients. [www.linkedin.com/in/craighinehart](http://www.linkedin.com/in/craighinehart)

# CPA Referral Service: Free Member Benefit for Your Firm

As part of our commitment to helping our members grow their bottom line while ensuring that Georgia citizens and businesses have access to useful information about CPA firms in their area, GSCPA proudly offers the CPA Referral Service. The Referral Service is an online database for use by individuals and businesses who are seeking the services of a CPA. Through this database, potential clients can search for firms by geographic location, services offered, and industries served. Once the criteria is entered, the database quickly identifies matching firms.

Having your firm listed in the CPA Referral Service is a benefit of your membership. We want to be sure your firm is included and providing the most up-to-date and accurate information. In addition, having this information about your firm will help us deliver the right mix of benefits to our members and allow us to be a more effective advocate for the profession in Georgia.

To participate in the Referral Service online database, visit <http://bit.ly/ReferralServiceRegistration> and complete the online registration form. A Referral Service brochure was recently mailed to member firms and includes the registration form. To take advantage of this valuable service, please complete and return the form to us by **December 15, 2017**. Whether it's helping you obtain new clients or assisting you in your next great hire, GSCPA is committed to your success.

If you need another copy of the registration form, or if you have any questions, please contact Callie Hammond, manager, pipeline initiatives, at [chammond@gscpa.org](mailto:chammond@gscpa.org).

The Society encourages you to take the opportunity to list your firm for FREE using this great service.

## EXPRESSION OF INTEREST

Do you have a desire to serve GSCPA at the state level? The Society is currently looking for volunteers who have an interest in possibly serving on the Board of Directors and/or Leadership Council beginning in the 2018-2019 year.

### QUALIFICATIONS TO SERVE:

- Must be a fellow member in good standing of the Society to serve in a leadership position.
- Board officers must have served on the Board in one of the three immediately preceding years.
- The Board chair must serve as chair-elect during the preceding year.

If you would like to serve in any of these positions, please visit the Volunteer Opportunities area of GSCPA's website at <http://bit.ly/ExpressionInterest17>, and complete the Expression of Interest form.

**Questions? Contact Missy Smith at 404-504-2956 or [msmith@gscpa.org](mailto:msmith@gscpa.org).**

**Deadline for submission is December 15, 2017.**

# Call for Nominations for GSCPA Member Awards

Each year, The Georgia Society of CPAs bestows three prestigious awards to members who have distinguished themselves in various ways.

## The **Outstanding Member in Industry Award**

recognizes a member in industry who has made significant professional and civic contributions, reflecting the values and ideals to which CPAs in this practice area should aspire. Cromwell S. Baun was the recipient of the 2017 Outstanding Member in Industry Award. Cromwell is a financial advisor with The Stephenson/Baun Wealth Management Group at UBS Financial Services Inc. In addition to his involvement with The Society, he serves at various capacities with The Leukemia & Lymphoma Society and The Ron Clark Academy. In 2016, Cromwell was one of 22 CPAs across the country, age 40 and under to receive the AICPA's Standing Ovation Award for his exceptional professional achievement in Personal Financial Planning services.

The **Public Service Award** recognizes a member who has distinguished himself or herself in public service activities at the local, state, regional, or national level. A broad range of public service activities will be considered in selecting the recipient of this award. Professional services related to accounting organizations are not considered in determining the award winner. This year's Public Service Award went to Scott Collins, managing principal of Collins/Moody & Company, PC, CPAs. In addition to serving in varying capacities with GSCPA, he also serves or has served on the boards of Athens Regional Foundation, Athens Youth

Symphony, Classic City Rotary Club, Sandy Creek Nature Center, First Presbyterian Church, and other entities around northeast Georgia.

The highest-level award bestowed by GSCPA is the **Meritorious Service Award**. This honor recognizes outstanding service to the profession, either as an overall body of work, or in the form of a single significant accomplishment that came to fruition during the period of one year. Jim Underwood was the esteemed recipient of the 2017 Meritorious Service Award. Jim reflected after receiving the award, "I was surprised and honored to be the recipient of this year's Meritorious Service Award, joining a distinguished group of professionals who have been previously recognized for their service to our profession. Receiving inspiration and encouragement from the start of my career from my CPA father-in-law, Harvey Ogletree, I learned that being involved with The Georgia Society of CPAs was part of my responsibility as a professional. After all these years of giving and working on Society matters, I still feel that I have received and learned far more than I have contributed and am grateful for the opportunity and blessings of being associated and becoming friends with so many high-quality individuals."

The deadline for receipt of nominations for the 2018 GSCPA member awards is **January 31, 2018**.

For more information on nominating a member for any of GSCPA's awards, please visit [www.gscpa.org/content/Membership/Awards.aspx](http://www.gscpa.org/content/Membership/Awards.aspx).



# Results of 4th Annual Georgia Accounting Food Fight

The Georgia Society of CPAs (GSCPA) and the Georgia Food Bank Association (GFBA) are pleased to announce the results of the fourth annual Georgia Accounting Food Fight, which took place Aug. 7-18. During the friendly, two-week competition, accounting professionals statewide raised food and funds for Georgia's eight regional food banks. Since its inception in 2014, the Georgia Accounting Food Fight has collectively raised \$441,179 and 49,270 pounds of food.

## 2017 Georgia Accounting Food Fight Winners:

### GRAND PRIZE FOOD FIGHT HERO WINNER

Anna Abernathy, CPA, Lawrenceville  
Most Points Per Employee Statewide  
15,125 Points Per Person  
Benefiting the Atlanta Community Food Bank

### GRAND PRIZE HUNGER CHAMPION WINNER

Aprio, Atlanta  
Most Points Overall Statewide  
65,440 Total Points  
Benefiting the Atlanta Community Food Bank

### Industry Winner

MARTA, Atlanta  
12,475 Total Points and 416 Points Per Employee  
Benefiting the Atlanta Community Food Bank

### Sole Proprietor Winner

Pennington & Berry, CPA, Evans  
13,850 Total Points & 6,925 Points Per Employee  
Benefiting the Golden Harvest Food Bank

### Small Firm Winners

G. Michael Smith and Associates, Athens  
11,250 Total Points Benefiting the Food Bank of Northeast Georgia

Collins/Moody & Company, PC, Athens  
1,930 Points Per Employee  
Benefiting the Food Bank of Northeast Georgia

### Medium Firm Winners

Williams Benator & Libby LLP, Atlanta  
20,176 Total Points  
Benefiting the Atlanta Community Food Bank

The Cleveland Group, Martinez  
567 Points Per Employee  
Benefiting the Golden Harvest Food Bank

### Large Firm Winners

Dixon Hughes Goodman LLP, Atlanta  
61,476 Total Points  
Benefiting the Atlanta Community Food Bank

Moore Colson, Marietta  
586 Points Per Employee  
Benefiting the Atlanta Community Food Bank

### Big 4 Winner

Ernst & Young, Atlanta  
28,980 Total Points  
Benefiting the Atlanta Community Food Bank

PwC, Atlanta  
12.3 Points Per Employee  
Benefiting the Atlanta Community Food Bank



# 2018 CPA DAY AT THE GOLD DOME

JANUARY 25, 2018  
ATLANTA, GEORGIA

**Location:** The Freight Room, 65 Martin Luther King, Jr. Drive SE, Atlanta, Georgia 30334

**To Register:** Visit [www.gscpa.org](http://www.gscpa.org), select the Event Catalog under the Continuing Education tab. Search event code 01925.

**- For More Information -**

Please contact Don Cook at [dcook@gscpa.org](mailto:dcook@gscpa.org) or 404-504-2935. | Event Code: 01925



**December 6, 2017**  
**GSCPA Learning Center, Atlanta**  
**Event Code: 13090 | LS13090**

As the IRS focuses on increasing the quantity of audits performed, it's more important than ever for you to be knowledgeable and prepared to work with the IRS in a variety of situations. The IRS Solutions Conference will provide you with functional tools and an understanding of what the IRS is currently focusing on. Leading these discussions are experts in handling IRS issues from CPAs to attorneys to enrolled agents.

**Who Should Attend:**  
CPAs at all levels of experience in public practice.

 **Live Stream This Event!**  
[alc.gscpa.org](http://alc.gscpa.org)

**To register visit [www.gscpa.org](http://www.gscpa.org) or call 404-504-2985 or 800-330-8889, Opt. 3**

# Member News

## PROMOTIONS & NEW POSITIONS

**Moore Colson** is pleased to announce the promotions of the following firm professionals: **Brad Parker** (business assurance senior manager), **Christina Quinones** (senior tax manager), **Joe Wright** (senior tax manager), **Stephanie George**, (senior tax manager), **Michelle Brooks** (corporate accounting manager), and **Heidi Harris** (corporate accounting senior associate).

**Smith & Howard** is proud to announce the following promotions:- in the Assurance Services Group, **Jonathan Haynes** to manager and **Kaitlin Becker** and **Lee Howard** to senior; in the Tax Group, **Andrew Hedrich** to senior.

**Windham Brannon** has promoted **Anne Morris** to principal at the firm.

**BT Wealth Management** recently welcomed a new chief operating officer, **Justin Snell**.

## FIRM NEWS

**Duggan & Massey** partners **Danielle Lambert**, **Tripp Kay**, **Charlie Lundquist**, and **Michael Thompson**, and staff spent a summer day at Hartsfield-Jackson International Airport welcoming and serving our troops and their families. They provided food for 150 military personnel and any family members they had with them passing through the airport on that day.

The firm of **Derrick, Stubbs and Stith, LLP**, in Columbia, SC has joined **Mauldin & Jenkins, LLC**.

**S.J. Gorowitz Accounting & Tax Services, PC** was recently awarded “Best CPA of North Atlanta” in this year’s Appen Media Group, Inc. “Best of the Best” contest.

## HONORS & AWARDS

**A.J. Hurst** of Frazier & Deeter, LLC was selected to the 2017 class of the AICPA Leadership Academy and graduated in September.

## IN MEMORIAM

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

**Kathryn K. Epps**, Kennesaw, Ga.

**Jan C. Goble**, Calhoun, Ga.

**Holcombe T. Marshall**, Decatur, Ga.

# Year-End Giving: What Are Your Options?

James Underwood, 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.*

With the end of the year quickly approaching, holiday travel and meal overindulgences are not the only guarantees of the season. It is also peak season for charitable giving with 20-30 percent of all donations occurring in December. Since most donations are made in the last quarter of the year, now is the time you will receive numerous requests from charities. Just because most people procrastinate to give does not mean that you have to. Charitable gifts, like any other expense, should be planned and included in your monthly budget.

Once you decide who you want to give to and how much you think you want to give, the next step is to determine how you give. The IRS allows tax deductions for gifts to qualified 501(c)(3) charitable organizations, but there are additional ways to increase your tax benefit.

Most charitable donations are done using cash, but you have other options. If you have owned investments for at least a year, and they have increased in value, instead of selling the investment, you can pay the tax on the gain and give the cash to charity, thereby transferring the stock or mutual fund directly to the charity. You receive a deduction for the value of the investment transferred, the charity sells the investment paying no tax on the gain, and they get the

same amount as if you had given them straight cash. Using investments to fund charitable gifts is recommended for donations greater than \$500.

There is another option if you give larger amounts to charity or you want to give money to charities in the future but don't know which ones. In the past, you would have set up a private foundation, which is costly and cumbersome to monitor and report on. In recent years, donor advised funds (DAF) have grown in popularity as an alternative to private foundations.

A DAF allows for contributions of cash or appreciated property to an account that will be used to fund charitable gifts over time. You get a full tax deduction in the year you contribute to the DAF, but you do not have to give all of the money to charities in that year. This is useful and can be very valuable if you have a large income year. You can prepay your next few years of charitable giving to a DAF to get the deduction now when it is more valuable.

Reducing your taxes is a great benefit of giving, but it should not be your main motivation. You should give because you want to and not because you have to. Find a cause that you are passionate about helping and make an impact with your dollars there. When you find a charity you are personally connected to and believe in, your reward will be larger than any tax benefit you receive. If you have benefited from being a CPA and being involved with GSCPA, you can always consider a gift to The Educational Foundation to help encourage the best and the brightest individuals in Georgia to become CPAs.

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**James Underwood, CPA** joined Nova Wealth Management Group in March 2015 and is involved with client relationships and the monitoring of portfolios. He has over 10 years of experience in the accounting and wealth management industries. James attended the University of Georgia, graduating with a Bachelor of Business Administration in Accounting and a Masters of Accountancy. In 2009, James received his CPA designation and he received his CFP® designation in 2014.



# CLUSTERS

**December 11-12, 2017**

**Cobb Galleria Centre | Atlanta, Georgia**

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## DON FARMER'S TAX SEMINARS

⌘ **Don Farmer's 2017 Federal Tax Update** | November 13, 2017 | UGA Tifton Campus Conference Center, Tifton | Event Code: 11045

⌘ **Don Farmer's 2017 Federal Tax Update** | November 15, 2017 | Infinite Energy Center, Duluth | Event Code: 12027

⌘ 📺 **Don Farmer's 2017 Federal Tax Update** | December 13, 2017 | Cobb Galleria Centre, Atlanta | Event Code: 12054, LS12054

⌘ 📺 **Don Farmer's 2017 Pre-Tax Season Review for Individual Returns**

December 14, 2017 | Cobb Galleria Centre, Atlanta | Event Code: 12064, LS12064

⌘ 📺 **Don Farmer's 2017 Pre-Tax Season Review for Corporate Returns**

December 15, 2017 | Cobb Galleria Centre, Atlanta | Event Code: 12065, LS12065



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## 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 January/February 2016 self-study test will be available until February 28, 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.

**September/October 2016** - Self-Study Test # CA60910

**November/December 2016** - Self-Study Test # CA61112

**January/February 2017** - Self-Study Test # CA70102

**March/April 2017** - Self-Study Test # CA70304

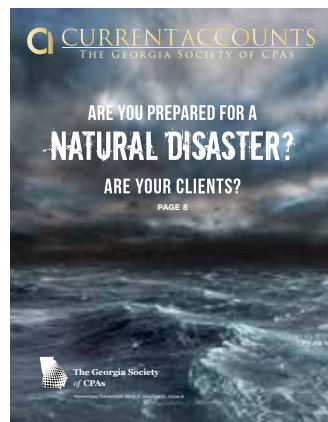
**May/June 2017 Issue** - Self-Study Test # CA70506

**July/August 2017 Issue** - Self-Study Test # CA70708



### < September/October 2017 Issue

Self-Study Test # CA70910



### November/December 2017 Issue >

Self-Study Test # CA71112

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## Available Live Streams

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

### International Taxation\*\*

December 4, 2017 | Event Code: LS11069

### Forensic Accounting Investigative Practices\*\*

December 4, 2017 | Event Code: LS12011

### Taxation of Individuals Living Abroad and Foreign Nationals Living in the U.S.\*\*

December 5, 2017 | Event Code: LS11072

### How to be a More Intelligent Investor

December 5, 2017 | Event Code: LS12003

### Criminal Law and White Collar Crime

December 5, 2017 | Event Code: LS12016

### K2's Small Business Internal Controls, Security, and Fraud Prevention and Detection

December 7, 2017 | Event Code: LS12028

### Getting the Tax Aspects of Business Planning Right from Formation to Termination

December 8, 2017 | Event Code: LS07005

### Excel: Dollars and Sense (Bring Your Own Laptop)

December 11, 2017 | Event Code: LS12045

### The Leadership Secrets of Football's Master Coaches

December 13, 2017 | Event Code: LS12077

### Office 365: Tools for the Modern Accountant (Bring Your Own Laptop)

December 14, 2017 | Event Code: LS12066

### Analytic and Big Data for Accountants\*\*

December 18, 2017 | Event Code: LS12071

### Healthcare: NEW A&A Risks and Fraud Cases for 2017

December 21, 2017 | Event Code: LS11084

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## 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

Firm-on-firm reviews: Fowler, Holley, Rambo and Stalvey, PC is interested in performing your firm's peer review. Personnel have 35 years review experience. Contact Richard Stalvey for qualifications, references, and a proposal. PO Box 1887 Valdosta, Ga. 31603;  
229-244-1559.

IRS and state tax payer 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

Tax Manager or Tax Director. George Horrigan, Horrigan & Company CPA's, P.C. Alpharetta, GA (Great Location - Near Avalon). Expanding North Fulton, full-service CPA firm seeks to add a tax manager. CPA firm provides a full range of personal and business tax preparation, personal and business tax planning and various accounting services. Firm personnel also work closely with business owners and leaders regarding: entity planning, business planning, succession planning, projections, financial statement analysis and fringe benefit planning. Position has CPA Firm Partner potential. Applicant must have very strong corporation, partnership and personal tax return skills and experience. They must also have very strong accounting and financial statement preparation skills and experience. Audit experience is a plus. Great pay, fringe benefits and work environment.  
george.horrigan@horrigancpa.com

Rapidly expanding CPA firm in the Roswell/Sandy Springs area has positions available for CPAs and tax audit & accounting managers. Positions require supervisory/review skills and extensive interaction with both staff and clients. Significant opportunity for advancement. Please respond to: lori@frickecpa.com or 770-216-2226.

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## SITUATIONS WANTED

CPA/CFP Practitioner seeking an opportunity to assist other CPA firms part time. I have been in my own practice for 30 years and am proficient with Lacerte and Ultra Tax (Thomson Reuters). I am also proficient with QuickBooks, Compilations Reviews and am a CFP. I am looking to supplement my own practice left by my aging clients who are selling or closing their businesses. Email me at [waro1124@gmail.com](mailto:waro1124@gmail.com) or text me at 404-580-2777.

## 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](mailto:Chris.Blackmon@BiggersBlackmon.com).

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.

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# Current Accounts Self-Study Test

NOVEMBER/DECEMBER 2017 | TEST NO. CA71112

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](http://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](mailto: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  
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☐ 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.

**Are You Prepared for a Natural Disaster?**

**1. Select the INCORRECT statement about the natural disaster surveys discussed in the article:**

- A. Almost 1/3 of Americans surveyed indicated that a natural disaster is their greatest concern among catastrophic events.
- B. Over 2/3 of small-business owners don't have a written disaster recovery plan.
- C. Almost 1/2 of small businesses would take at least three months to recover from a natural disaster.
- D. Less than 1/10 of respondents believe that they will ever experience a natural disaster.

**2. In the event of a natural disaster, specific events and protocols have to be followed in order to have an area declared a disaster area. Select the proper order of responses.**

- A. Federal – State – Local
- B. State – Local – Federal
- C. Local – State – Federal
- D. Local – Federal – State

**3. Which of the following is NOT one of the ways in which the IRS may help in the event an individual or business is affected by a federally declared disaster?**

- A. Waiving interest and penalties if the disaster caused the taxpayer to file or pay late
- B. Providing free copies of transcripts of previously filed returns
- C. Expediting refunds for casualty loss claims related to the disaster on the tax return for the previous year
- D. Postponing tax filing and payment deadlines whether or not individual assistance is given

**4. The key to surviving a natural disaster is advance preparation. Which of the following steps should be taken before a natural disaster occurs?**

- A. Regularly perform back up procedures
- B. Communicate with employees to determine if and when they will be able to return to work
- C. Go paperless
- D. Move as many systems and records as possible to the Cloud

**House Bill 337: State Tax Execution Modernization Act of 2017**

**5. The purpose of HB 337 is to move the process by which tax liens issued by the Georgia Department of Revenue (DOR) are filed, recorded, and searched from a manual to an electronic system. Which of the following is INCORRECT?**

- A. The statute of limitations will be extended to 10 years and will retain the Nulla Bona option.
- B. In the new system, there is no paper lien, no mail, no paper billing.
- C. Any installment agreement between the taxpayer and the DOR extends the duration of the Statute by the installment period plus 90 days.
- D. When the new system is implemented, there will be a search portal where any taxpayer can search for any recorded DOR liens.

**Living with the New Lease Standard**

**6. For any lease reported on the balance sheet under the new standard, the lessee must record a right-of-use asset and a lease liability. Select the CORRECT statement from the following:**

- A. As a minimum, the lease liability should be valued at the present value of the lease payments.
- B. The lease liability should include certain variable payments, a purchase option when reasonably certain to be exercised, probable residual value guarantees and certain other fees.
- C. The right-of-use asset will be valued at that same amount as the lease liability plus any initial direct costs.
- D. All of the above are correct.

**CFOs' Growing Role: Culture Champions {1 question}**

**7. CFOs help shape their organization's culture by**

- A. Hiring people who are smart and driven.
- B. Setting the standard for the finance team.
- C. Communicating to employees on a regular basis, the importance of ethical behavior, integrity, and transparency.
- D. All of the above.

**Recapping the GSCPA Annual Technology Conference**

**8. The GSCPA Annual Technology Conference addressed all of the following topics EXCEPT:**

- A. How to outsource an organization's entire technology function
- B. Workflow technologies, collaborative accounting, business intelligence tools, and security options to improve client service and firm profitability
- C. Using tools CPAs already own, such as Excel and Access, to detect and prevent fraud by applying fraud tests to their accounting transactions
- D. Using team member training, encryption, long-and-strong passwords, multi-factor authentication, and Data Loss Prevention (DLP) tools to help maintain the security, privacy, and integrity of sensitive information

**Equifax Breach: What You Need to Know**

**9. The least preferred way to determine whether you are affected by the Equifax data breach is to:**

- A. Open your browser and visit [www.equifaxsecurity2017.com](http://www.equifaxsecurity2017.com).
- B. Call the company's hot line at 866-447-7559.
- C. Click on the link provided in an e-mail from what appears to be Equifax alerting you to the possibility that your data had been breached.
- D. All of these are equally recommended.

**10. Select the CORRECT statement concerning freezing your credit:**

- A. Equifax will reimburse you for the cost of freezing your credit.
- B. Freezing your credit is only one of several steps you should consider when you are subject to a data breach.
- C. Freezing your credit with one credit bureau will freeze it at all three credit bureaus.
- D. Freezing your credit will make it simpler and faster to borrow money in the future.




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**December 8, 2017 | GSCPA Learning Center | Atlanta, Ga.**  
**Event Code: 13070 |  Live Stream Code: LS13070**

Financial professionals working for and with government entities are continually addressing changes. Make sure you are up-to-date and understand the recent issues that face federal, state and local governments, as well as their auditors. The Governmental A&A Conference will provide practical knowledge and direction, which will allow you to apply these skills directly to your daily responsibilities.

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