

CPA VOICE

The Ohio Society of Certified Public Accountants

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James Gandolfini has one more story to tell

It starts with a man swept away by an untimely death.

In June, Soprano's star James Gandolfini died of a massive heart attack while on a trip to Rome with his son.

According to experts, Gandolfini missed several opportunities to maximize how much of his estate ends up with his family. Instead, he maximized the amount going to the IRS – possibly \$30 million of an estimated \$70 million estate.

For example: Gandolfini left just under 20% of his assets to his wife. His wife's portion is safe from taxes – federal tax laws allow for unlimited tax-free transfers to spouses, but taxes are applied to most other bequests in estates over \$5.25 million. Gandolfini only took limited advantage of that provision, so close to 80% of the assets covered by the will could now be subject to a combined state and federal tax rate of 55%.



What's the moral of the story? Beyond being generous to your spouse, it underscores the importance of tapping

Continued on page 2 ►

New Ohio law may help employees keep jobs

Gov. John Kasich signed House Bill 37 into law on July 11, officially launching SharedWork Ohio, an initiative designed to help workers and employers alike by preventing layoffs.

Sponsored by Reps. Mike Duffey, R-Worthington, and Gary Scherer, CPA, R-Circleville, the law enables employers who need to make cuts to reduce the number of hours worked across a workforce rather than laying off a set number of employees.

Thousands of Ohio workers would have avoided layoffs in 2009 had a shared work program existed in Ohio, according to Hannah Halbert, workforce researcher with the liberal think tank Policy Matters Ohio. Had the program had as many participants as the average state, more than 23,000 Ohioans would have been able to participate, Policy Matters Ohio estimates.

The law takes effect immediately.

“Shared work is a proven layoff-aversion tool,” said Halbert in a statement. “It’s a

Continued on page 2 ►

James continued from Cover ▶

into available experts and planning for the unexpected.

What would happen if you suddenly suffered an accident?

Do you have an estate plan? What about a succession plan? CPAs owning practices should also think about what would happen to their firm if the unexpected occurs. Succession planning can be as popular as doctor appointments, but it is equally as important.

Take some of the sting out of a necessary task: contact the Succession Institute. As an OSCP member, you will save on affordable and effective solutions for succession planning and practice management resources.

Read more about succession planning in this issue's feature story on page 22.

New Ohio law continued from Cover ▶

smart step that will benefit Ohio workers and employers.”

SharedWork Ohio will give Ohio employers a new tool to keep their workforce intact during downturns. This new flexibility will help employers avoid costly rehiring and retraining when demand returns. At the same time, employees will be able to keep working and retain their health and retirement benefits.

“It's a huge drag on the economy when people fall out of the workforce and we have to retrain them for another job,” Duffey said. “In the meantime, they're relying on unemployment and they get into a funk. The goal is to not put them into a jobless situation.”

Half the states and the District of Columbia have enacted shared work policies. Ohio's version contains a

benefit for employers not available in other states: it provides that employers opting for the shared-work approach can avoid a major increase in their unemployment insurances.

The Ohio Department of Job and Family Services will administer and promote the program. The state can draw on \$3.7 million in federal funds to cover startup costs, and the federal government will cover nearly all of the costs for unemployment benefits through August 2015.

The Ohio Manufacturers' Association backed the bill because it allows more flexibility, while the United Way of Central Ohio offered support because it should mean fewer people having to deal with layoffs and more ability for them to join workforce development training.

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Employer mandate in health care act delayed until 2015

The federal business mandate for large employers to provide health insurance to its full-time employees has been deferred for one year, now taking effect in 2015.

Individuals, however, are still required to carry health insurance starting in 2014 or face penalties. State-based marketplaces or health exchanges are set to be in place by Oct. 1 to help people without access to coverage meet the requirement.

"We are on target to open the health insurance marketplace on Oct. 1 where small businesses and ordinary Americans will be able to go to one place to learn about their coverage options and make side-by-side comparisons of each plan's price and benefits before they make their decision," said Valerie Jarrett, President

Obama's senior adviser and liaison to the business community, on the White House website.

The 2010 Patient Protection and Affordable Care Act requires large employers with more than 50 full-time employees to provide health insurance that meets minimum standards and tests of affordability or they will face penalties. Those penalties were originally set to start in 2014, but employers now have until 2015 to comply.

Small businesses with fewer than 50 employees are not subject to the requirement to provide health insurance. The law defines full-time employees as those who work 30 or more hours a week. Read more about the implications of this decision on page 17.

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Accountancy Board of Ohio makes ACAP-Ohio possible

For nearly 20 years, the Accountancy Board of Ohio has been the largest funder of the Accounting Careers Awareness Program (ACAP-Ohio), which has the goal of attracting more diverse students to the CPA profession. Since 1996, ACAP-Ohio has reached more than 650 minority high school students. Funding provided by the Accountancy Board covers program expenses such as the students' campus housing, meals, classroom materials and events. It allows students, regardless of their financial situation, to attend the program free of charge.

OSCPA and The Ohio CPA Foundation thank the Accountancy Board of Ohio for its unwavering support and dedication as we work together to attract the best and brightest students to rewarding careers in the CPA profession. For more information about ACAP-Ohio, visit www.OhioCPAFoundation.org.



IRS leaks thousands of Social Security numbers

Hackers had a heyday when the IRS accidentally leaked tens of thousands of Social Security numbers online. Until several days ago, publicly accessible IRS databases containing information on millions of non-profit organizations did not have many donors' Social Security numbers scrubbed.

Archivist Carl Malamud of Public.Resource.org discovered the Social Security numbers online after he requested the IRS make the information – which was previously only available on low-quality image scans purchased via CD-ROM – publicly accessible online. The IRS failed to do basic privacy scrubbing to the documents, exposing Social Security numbers to public view.

“This Section 527 database is an essential tool used by journalists, watchdog groups, congressional staffers and citizens,” Malamud wrote in a statement. “While the public posting of this database serves a vital public purpose (and this database must be restored as quickly as possible), the failure to remove individual Social Security numbers is an extraordinarily reckless act.”

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Social Media Snapshot

Have you seen the latest videos on OSCPAs YouTube channel? Check them out now at www.youtube.com/user/TheOhioSocietyofCPAs.

OSCPA President & CEO Scott Wiley addresses the 2013 Annual Meeting



Missed The Ohio Society of CPAs' Members Summit? Tune in as OSCPAs President & CEO Scott Wiley talks about the story CPAs have to tell and how they are changing the game in Ohio.

Robert Zurich's plans as chair of The Ohio Society of CPAs



What's in store for the year ahead? Listen to OSCPAs new Chair of the Board discuss some of his priorities.

Amanda Wilson from United Rehabilitation Services for CPA Day of Service



Catch WDTN Dayton's coverage of the CPA Day of Service, featuring OSCPAs member Amanda Wilson.

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From the Twittersphere

Denise Brenner @dmbrenner 26 Jul
The #CPAExam better be worth it - so far I've missed @NatalieMerchant, The Black Crowes, @ginblossoms, and next week, @blues_traveler. #sad
Expand

Ohio Society of CPAs @OSCPA 27 Jul
@dmbrenner It will be worth it - we promise!! Bummer you had to miss all those great shows though!
Hide conversation Reply Delete Favorite More HootSuite
7:05 AM - 27 Jul 13 - Details

Denise Brenner @dmbrenner 27 Jul
Thanks for the pick me up! RT *@OSCPA: @dmbrenner It will be worth it - we promise!! Bummer you had to miss all those great shows though!"
Expand

Theresa Mullen @boierorkm 25 Jul
Spending my day with other SALT professionals at the inaugural @OSCPA Northeast Ohio State & Local Tax Conference from Independence, OH

Ohio Society of CPAs @OSCPA 25 Jul
Enjoy! RT @boierorkm: Spending my day with other SALT professionals at the inaugural @OSCPA Northeast Ohio State & Local Tax Conference
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CPAs can lead by translating the technical

In the July issue of *CPA Voice* I discussed OSCPA's commitment to providing quality CPE to meet your needs in a changing world.

This month I want to address the other side of the education equation, and it's something I've heard mentioned repeatedly this year by leaders in the accounting profession: the importance of being a constant learner. It's a habit that will make you not only more competitive and employable, but also a better citizen and well-rounded person.

This is an issue that extends beyond CPE, and it isn't just for those interested in another certification or an advanced degree. Professional education for CPAs – and anyone else – should be constant and self-motivated.

Just by earning your CPA you've proven you have the knowledge and skills needed to be a business leader: financial savvy, strong ethics and an analytical mind. Spending time working in a particular business area also gives you expertise in that domain.

Are you developing skills that go beyond your technical expertise and underscore your value to your employer or clients? These could include communications skills, leadership, the ability to pitch and close a sale, customer service knowledge or strategic planning.

One good example is communication skills. A course on how to make financial presentations to nonfinancial people could provide an edge in today's business world. The ability to relate the numbers to a strategic direction, and then explain them is a valuable skill to any organization.



“Are you taking the steps to improve yourself as a professional? Are you integrating the kind of training that's going to make you more well-rounded overall? Learning is not something just for childhood or the classroom: it is lifelong and has no boundaries.”

Why is this important to you? Because it can position you as someone who does much more than crunch numbers, open doors you don't even know exist, get you in contact with more people and elevate your chances of taking your career to the next level.

It's critical to stay on top of technology. Laysha Ward, president of community relations at Target, said, “We know that, with the rate of technological change, (a career in the 21st century economy) will require a lifelong commitment to learning.”

Leaders have to be able to go even farther beyond that technical business and financial information and be able to communicate it in such a way that audiences of varying knowledge

and experience understand and can internalize.

That's just one possibility for improvement, and I am sure you can think of others. Though the CPE requirement is a cornerstone of the accounting profession, learning is lifelong and shouldn't stop at the 120-hour requirement every three years. Its true value is intellectual development; it's an investment that improves our work, elevates our profession and makes our lives more enjoyable.

A handwritten signature in black ink that reads "Scott".

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Sales tax effort a good model for action

By Robert Zurich, CPA/ABV

One of the best things about serving as chair of The Ohio Society of CPAs is meeting with talented, intelligent CPAs from around Ohio to discuss the timely issues important to our profession.

But what is it like to be part of these discussions?

Having served on the board and as chair-elect, I thought it would be helpful to explain how the dialogue materializes as we work to promote and protect the profession.

A good example is OSCPA's work to remove a proposed sales tax on services from the state's biennial budget.

As proposed in February, H.B. 59 called for an expansion of the sales tax base to potentially thousands of services, including accounting, legal and consulting.

OSCPA members were justifiably concerned. Such a plan would have harmed Ohio's business environment, and by extension, all taxpayers.

We surveyed members, and more than 80% of you opposed an expanded sales tax on most services. Almost two-thirds of you thought the negative impact of the sales tax proposal overshadowed

any gains that would have occurred from the income tax reduction.

OSCPA's governmental affairs team worked behind the scenes, finding out why similar tax efforts had failed in other states, and getting important information to governmental leaders.

On March 5, after considering the facts and your input, the OSCPA Executive Board voted to formally oppose the sales tax expansion and to offer OSCPA as a resource to help lawmakers find alternatives that were better for Ohio. OSCPA representatives also testified on March 6 about the harmful implications of the expanded sales tax.

I'm happy to say that the budget bill that Gov. Kasich signed into state law in June did not include an expanded tax on services, in no small part because of concerns raised by OSCPA.

The bill did include several things OSCPA supported, such as \$2.7 billion in tax cuts, including a phased-in 10% reduction in personal income taxes. This helps Ohio be more competitive with nearby states.

The expanded tax on services is just one example of the issues the OSCPA Executive Board tackles. Every issue has its own challenges and opportunities.

I am looking forward to having deeper discussions with my fellow board



“The expanded tax on services is just one example of the issues the OSCPA Executive Board tackles. Every issue has its own challenges and opportunities.”

members about their goals for the Society. I also look forward to discussing those ideas with you – both in person and here in *CPA Voice*. It's not about what I want to do; it's what do we as an organization want to do. Send your thoughts to cpavoice@ohio-cpa.com.

Robert G. Zurich, CPA/ABV with Barnes Wendling CPAs, Inc. in Sheffield Village, is The Ohio Society of CPAs 2013-2014 Chair of the Board.

Tax considerations in the wake of the DOMA ruling

Thomas R. Brex, CPA

In a 5-4 opinion in *United States v. Windsor*, the United States Supreme Court in June ruled that Section 3 of the Defense of Marriage Act (DOMA) violates the equal protection clause of the Fifth Amendment of the U.S. Constitution. This watershed decision significantly changes the legal and income tax landscape for many same-sex married couples in the United States. The decision will mean that federal government benefits available to opposite-sex married couples will apply to same-sex married couples, including many tax-related benefits.

It also means significant uncertainty will continue while government agencies, legislators, practitioners and taxpayers wrestle with the implications. The IRS promised to provide timely guidance to taxpayers, although many Tax Code provisions are impacted by the Court's decision.

It is worth noting that the Supreme Court did not strike down Section 2

of DOMA, which provides, in general, that no state is required to uphold any law of another state that recognizes same-sex marriage. This poses significant discrepancies from an income tax perspective. Shortly after the Supreme Court announced its decision, legislation was introduced in the House of Representatives to repeal Section 2 of DOMA. The Respect of Marriage Act (ROMA) would require that all states recognize same-sex marriages performed in other states.

Background

DOMA, signed into law in 1996, allows states to refuse to recognize same-sex marriages performed under the laws of other states. Section 3 of DOMA defined marriage and spouse as follows:

In determining the meaning of any Act of Congress, or of any ruling, regulation, or interpretation of the various administrative bureaus and agencies of the United States, the word 'marriage' means only a legal union between one man and one woman as husband and wife, and the word 'spouse' refers only to a person of the opposite sex who is a husband or a wife.

By defining "spouse" as a heterosexual couple in a recognized marriage, Section 3 codified the non-recognition of same-sex marriages for all federal matters, including income tax purposes. It also meant that same-sex married couples could not take advantage of taxpayer-friendly treatment of many health care and retirement benefits available to opposite-sex couples, and were not treated the same as opposite-sex married couples under federal estate tax laws.

It was in the estate tax context that the Supreme Court agreed to hear the *Windsor* case.

In that case, the taxpayer claimed the estate tax marital deduction, based on her same-sex marriage. The IRS disallowed the deduction under Section 3 of DOMA, as same-sex marriages are not recognized for federal purposes under DOMA. A federal district court found that Section 3 of DOMA was unconstitutional, as did the Second Circuit court, on appeal. The Supreme Court agreed to hear the case, with Justice Anthony Kennedy writing the majority opinion. Kennedy noted that DOMA departed from the history of reliance on state law to define



TAKEAWAYS

- ▶ In ruling that a section of DOMA is unconstitutional, the Supreme Court has created a multitude of tax uncertainties.
- ▶ Same-sex married couples who reside in states that sanction same-sex marriage will be treated the same as opposite-sex married couples for federal tax purposes.
- ▶ However, the court let stand a section that allows states to disregard same-sex marriages in other states.
- ▶ Ohio is not one of the 13 states/districts that recognize same-sex marriage, so until there are more changes or legislation, same-sex couples who reside in Ohio will not be treated as married for federal tax purposes.
- ▶ The IRS has promised timely guidance, and the agency has its work cut out for it.



marriage, and cast aside a state's legal acknowledgement of a union deemed lawful by that state. In doing so, DOMA violated the equal protection clause of the Fifth Amendment of the Constitution by treating such unions as a lesser class than same-sex unions. Kennedy concluded that "the principal purpose of DOMA was to impose inequality."

Reaction

Virtually hours after the Supreme Court issued its decision, President Obama directed all federal agencies to revise their rules and regulations to reflect the decision. On June 27, the IRS announced on its website that it was "reviewing the important June 26 Supreme Court decision on the Defense of Marriage Act." The service noted it "will be working with the Department of Treasury and Department of Justice, and we will move swiftly to provide revised guidance in the near future."

This will be a monumental undertaking, as so many tax code provisions and regulations are affected.

Tax implications for same-sex couples

This decision would seem to assure that same-sex couples who reside in states that sanction same-sex marriage will be treated the same as opposite-sex married couples for federal tax purposes. Therefore, they would be eligible to file joint tax returns (which could provide a benefit or a detriment, depending on various individual factors),

would be treated as surviving spouses upon the demise of the other spouse, could take a dependency exemption for qualifying children, avail themselves of any education benefits, qualify for unlimited marital transfers, gift splitting, social security survivor benefits, taxpayer-friendly employee benefits for spouses, etc.

However, there are still many unanswered questions. Ohio is not one of the 13 states/districts that recognize same-sex marriage. Therefore, absent any other changes or legislation, same-sex couples who reside in Ohio will not be treated as married for federal tax purposes. And what of same-sex couples married in one state that recognized same-sex marriage, but who now live in Ohio (or any state that does not recognize that union)? Recall that Section 2 of DOMA provides, in general, that no state is required to uphold any law of another state that recognizes same-sex marriage. This means that absent state law changes – or the repeal of Section 2 of DOMA – no state is required to recognize the legal union of same-sex couples performed in any other state.

Also unanswered is the question of same-sex unions and domestic partnerships. As of this writing, eight states recognize these relationships. However, it appears unclear how these are impacted by the court's decision. Therefore, tax practitioners and analysts will be awaiting guidance from the IRS on many topics in order to

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Sept. 11 | Cleveland | Course #44644

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Annual Tax Planning Guide for S Corporations, Partnerships, and LLCs

Sept. 16 | Columbus | Course #44656

As long as LLCs, partnerships and S corporations form the backbone of many CPAs' practices, in-depth knowledge of all tax aspects of these entities will be essential. The purpose of this practical course is to focus on planning issues in creating, operating and liquidating S corporations, partnerships and LLCs. This course is essential for CPAs in public accounting and industry who advise these entities or their investors.

Cincinnati Accounting Show

Sept. 17-18 | Cincinnati | Course #44660

The Cincinnati Accounting Show is one of OSCP's premiere events offering you the chance to earn up to 16 CPE credits in topics like tax, A&A, ethics and more. Plus, network with hundreds of your peers, find business solutions with our many exhibitors and gain insight into the topics that are shaping the profession.

properly advise their clients. This was a significant, far-reaching decision by the court, which leaves many yet-to-be answered questions in its wake.

Thomas R. Brex, CPA is a partner with Mayr & Associates, LLC in Dublin, Ohio. He has extensive experience in corporate and personal tax consulting, planning and compliance, serving a wide range of businesses and industries, including technology, oil and gas, manufacturing and service providers. Thom serves as a member of the OSCP Tax Legislation Policy Committee, and is Treasurer on the Board of Trustees of the Columbus Metropolitan Club.

Five considerations for retirement plan audits

By Tiffany White, CPA and James Haubrock, CPA

The Department of Labor (DOL) continues to uphold high expectations for plan audit quality, despite its budget constraints. Meanwhile, professionals committed to meeting those expectations are challenged by an ever-changing accounting, audit, economic and regulatory environment. With these conflicting pressures, working with retirement plans can be daunting. To keep you focused, here are five aspects of retirement plan audits that we recommend you keep top-of-mind:

1 Fair value measurements

Fair value determination and disclosures become more challenging as securities increase in complexity. Each year, plan sponsors need to review investment contracts along with valuation detail to determine if the plan's valuations are in accordance with GAAP. We have found more plan sponsors have hired outside service providers to help with this process when internal employees do not have the expertise.

Plan investment trends often follow economic conditions, so they change regularly. In the last year, target-date funds and self-directed investments have grown in popularity for defined contribution plans because of sponsors' efforts to engage participants. Limited partnerships, hedge funds, or other commodities are also back in fashion, adding diversity to portfolios and inflation protection.

Plan financial statements must disclose the fair value for each class of investment

and also report earnings by each investment type. Self-directed accounts are no exception. Provide yourself additional time to accumulate and process required disclosures, especially if these accounts allow nontraditional investments or are not maintained in one, plan-level, recordkeeping account.

Don't forget ASU No. 2011-04, effective for annual periods beginning after Dec. 15, 2011 for nonpublic entities. Level 3 investments require expanded quantitative disclosures of significant unobservable inputs for each class of investment, a description of the valuation process, and a qualitative discussion about the sensitivity of unobservable inputs.

Changes in this area are continuously being reviewed, and in fact a new fair value standard has just been released. The technical corrections included should be carefully examined. Take particular note of ASU 2013-09, which clarifies the scope and applicability of disclosures of nonpublic entities.



TAKEAWAYS

- ▶ Determining and disclosing fair value requires the majority of time and attention from sponsors and auditors. The investment environment is ever-changing, and disclosure requirements are continuously updated.
- ▶ The DOL has implemented an enforcement initiative that monitors the valuation of private employer stock.
- ▶ MAP-21 aims to stabilize the interest rates used to calculate minimum required contributions of defined benefit plans.
- ▶ Payment of fees which are not "reasonable" compensation, as defined, could be considered prohibited transactions, and would require inclusion on both Form 5500 and in the plan's financial statements.
- ▶ *The AICPA Employee Benefit Plan Audit & Accounting Guide* has been redesigned and should be heavily relied upon.



2 ESOP plan valuation of employer securities

Valuation of private employer stock is a complex process involving a valuation specialist using unobservable inputs. The DOL has implemented an enforcement initiative due to concern over the appropriateness of fair valuation and reporting of employer securities. You will want to carefully develop procedures to review and assess the results of the valuation, and document your process. The method must include challenging assumptions and inputs to ensure applicability.

ESOP plan sponsors are particularly sensitive to the expanded quantitative disclosures for Level 3 inputs. Many privately-held companies argue this information is proprietary. Alarming to many, the disclosures contained in the plan's financial statements are available for public viewing on the DOL's website.

In April 2013, FASB responded to the concern by introducing Exposure Draft No 2013-260 to indefinitely defer the quantitative fair value disclosures in nonpublic employee benefit plans for investments in the securities of the plan

sponsor. Comments were due on May 31. Be alert for the final ruling, which should be issued in the near future.

3 The MAP-21 effect on defined benefit plans

Defined benefit plans continue to face both liquidity and funding concerns. Most pension funds have been required to make significant minimum contributions due to today's historically low interest rates. Conventional wisdom questions how long companies can sustain such large contributions.

Enter MAP-21, *Moving Ahead for Progress in the 21st Century Act*, enacted in July 2012. This legislation provides for two significant changes in defined benefit plans.

First, MAP-21 aims to stabilize the interest rates used in calculations of minimum required contributions. The funding calculations are now able to use adjusted segment rates based on a trailing 25 year average. A floor and ceiling are also applied, thus stabilizing the rates. Lower annual contributions should result. Please note that MAP-

Continued on page 12 ►

LEARNING OPPORTUNITIES

Accounting & Auditing Update

Sept. 6 | Youngstown | Course #44638
Ray G. Stephens will present and discuss issues in accounting, auditing and compilation and review for private companies. The presentation will cover the current status of the Private Company Council, leases, revenue recognition, financial instruments, the clarified auditing standards and changes in compilation and review. **To register for this event please contact Youngstown State University at 330.941.2465 and reference course number 13f-B004-1.**

OCBOA: Preparing and Reporting on Cash, Modified Cash and Tax Basis Financial Statements

Sept. 9 | Columbus | Course #44639
Sept. 9 | Virtual | Course #44640
For many businesses, preparing financial statements using an Other Comprehensive Basis of Accounting (OCBOA, or the new audit terminology "Special Purpose Framework") may provide an alternative to the complexity of U.S. GAAP. This course provides a comprehensive review and hands-on application for preparing and reporting on OCBOA financial statements. Learn the unique measurement and disclosure requirements of various OCBOA options using example financial statements and illustrative disclosures. Learn OCBOA engagements from acceptance and planning to reporting, highlighting common practice issues.

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Defined benefit plans continue to face both liquidity and funding concerns. Most pension funds have been required to make significant minimum

21 does *not* affect the interest rates used to calculate the present value of accumulated plan benefits.

Secondly, MAP-21 increases the premiums for the Pension Benefit Guaranty Corporation (PBGC). The fixed-rate portion of the premium increases in 2013 and 2014, indexed for inflation thereafter. The variable rate premium will increase in 2014 and 2015, indexed for inflation thereafter. The variable rate also provides for a per-participant annual limit.

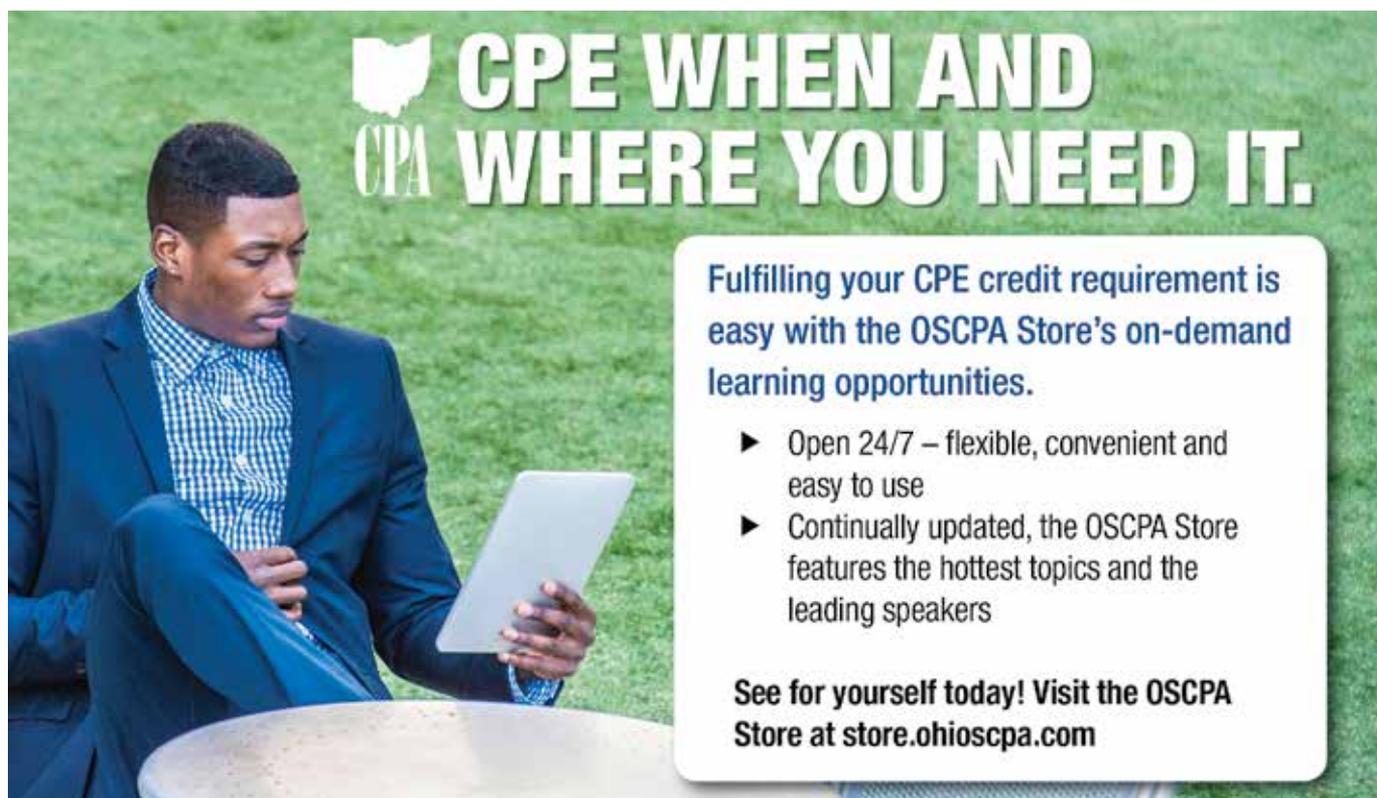
4 The reporting implications of plan fee disclosures

Fee disclosure requirements, from covered service providers to plan sponsors, became effective on July 1, 2012 (commonly called 408[b][2] disclosures). These are not exactly new requirements. However, you might not have realized that payment of fees, which are not “reasonable” compensation, as defined, could be considered prohibited transactions. Prohibited transactions require inclusion

on both Form 5500 and in the plan’s financial statements.

Auditors need to obtain reasonable assurance that the financial statements are free from material misstatement. Under AUC Section 250, auditors should perform audit procedures to identify instances of noncompliance with laws and regulations, including prohibited transactions.

We suggest as a best practice that you achieve an understanding of the types



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contributions due to today's historically low interest rates. Conventional wisdom questions how long companies can sustain such large contributions.



of fees paid from the plan. This can be done by reviewing plan transactions, service agreements and Form 5500 Schedule C reporting. Next, obtain the 408(b)(2) disclosures from all covered service providers and determine the process that management implemented in order to assess and conclude whether the fees are reasonable. Common practices for plan sponsors include conducting a benchmarking study, comparing the plan's expense fee ratio to plans of similar size or putting the services out to bid.

5 The overhauled edition of the Audit & Accounting Guide

The AICPA Employee Benefit Plan Audit & Accounting Guide has arrived! This much-anticipated handbook is redesigned to provide practical examples, procedures customized for each benefit plan type, and full updates of clarity standards, other recent standards and regulatory requirements.

Because the clarity standard updates are so critically important to your work,

this guide should truly be your go-to reference. It's a must-have for retirement plan professionals who strive for high quality audits and peace of mind in a tumultuous industry.

Tiffany White, CPA, is a principal in Clark Schaefer Hackett's Employee Benefit Plan Audit Services Group. She is a leader of this practice in the Columbus area.

James Haubrock, CPA, is the Shareholder-in-Charge of Clark Schaefer, CPA, Hackett's Employee Benefit Plan Audit Services Group and is recognized as a national expert in this subject. He is a member of the AICPA EBP Audit Quality Center Executive Committee.

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Protecting your international business people, assets and reputation

By Brad Forsythe

Ninety percent of my clients are U.S. exporters and importers. Often my most important work is getting them past the illusion that their standard U.S. commercial insurance is adequate for their foreign risks.

What's at risk? Their employees, reputation and assets (both foreign and domestic). Many executives avoid international insurance discussions, thinking it's too complex, but a good overview can be simple. Let's keep this a very simple discussion.

To start, we'll break the topic into two categories:

- One for businesses whose traveling employees are their biggest international risk
- One for businesses that have "established a foreign presence"

Category 1: Employees traveling overseas

Ohio businesses are sending their executive, sales, marketing and engineering teams overseas more frequently than ever. Foreign business is all about relationships. There is no effective substitute for "being there" in person. Being there has risks. The biggest is that an employee has an accident or falls ill and isn't effectively protected by workers' compensation or other insurance (auto accidents are a common and significant risk). Employers' domestic U.S. health insurance and workers' compensation programs are often inadequate to the task, potentially placing valued employees at unnecessary risk and exposing businesses to costly uncovered claims.

Example: Your employee on a business trip to China is injured after work hours or has a medical emergency while on the job. Beth



TAKEAWAYS

- ▶ For many businesses, One big risk for many businesses with traveling employees is that they have an accident or fall ill without being adequately covered by their U.S. domestic workers' compensation insurance.
- ▶ The large print of your U.S. commercial insurance policy likely says it protects against foreign suits. The small print most likely says it protects only if foreign suits are filed in the United States.
- ▶ A good policy comes from an insurance carrier with "boots on the ground" in many foreign countries, because when you need help, there is no substitute for being there.

Hunter, a subject matter specialist on international insurance for the Chubb Group of Insurance Companies (Chubb) warns that many foreign hospitals may require upfront payment for services before admitting a patient. With a 13-hour time difference between the United States and China, will your U.S. domestic insurance program insure such costs? If so, will your U.S. domestic insurance program be able to quickly make that payment? Who helps your employee find a health care facility or medical provider in a given foreign locale? Who facilitates medical payments or coordination of medications for your injured employee in the foreign locale? Who will help your employee coordinate transportation to join a hospitalized family member? What if the injured employee is unconscious? It's important to recognize that U.S. workers compensation programs might not be adequate for your international risks.

“Being there has risks. The biggest is that an employee has an accident or falls ill and isn't effectively protected by workers' compensation or other insurance.”

A recent Chubb survey found that 61% of travelers were concerned about finding qualified doctors overseas, and 23% of employees said they would refuse business travel to dangerous locations unless provided emergency medical/travel services.

Simple foreign insurance packages are modestly priced. They can include

medical assistance service agents who immediately help coordinate treatment and medical payment for your covered employees. Chubb's Exporters Package provides international voluntary workers compensation, accident, general liability, commercial auto, property and business income insurance. Annual premiums are competitively priced.

Category 2: Established “foreign presence”

If you own or lease foreign real estate or have heavily invested in marketing/distribution to build a strong market presence overseas, then you've likely established a “foreign presence.” You probably requested that your foreign insurance program mirror your U.S. safety net and expect that it does, but a host of problems may defeat your expectation:

- Most international insurance programs are cobbled together over time. Foreign laws and regulations change as fast as they do here at home, so foreign programs can rapidly fall behind.
- In many cases, you can't buy the same level of protection overseas, although you might not be told or realize that until it becomes a surprise.
- Important details are easily “lost in translation” with foreign insurance agents or governments. Some nations require that insurance be written in the native language. For example, German insurance policies must be written in German.

This leads to the key point that many companies are subject to unwanted surprises, even if they think they're covered.

“I rarely see a company whose U.S. domestic insurance program delivers the protection they thought they had,” Hunter said.

Continued on page 16 ►

Manufacturing & Construction Conference

Sept. 11 | Cleveland | Course #44644

Are you involved with the manufacturing or construction industries? Our second annual Manufacturing & Construction Conference is a great opportunity to get a broad overview of issues specific to both industries. Prepare yourself for the intricacies of the construction industry – especially the contractor tax regulations. This specialized practice requires that you provide efficient, high-quality audit and review services and apply U.S. GAAP accounting methods. This conference is designed for accountants seeking a broad overview of the manufacturing and construction industry, financial professionals in the construction industry and practitioners who deal with contractor clients.

Cincinnati Accounting Show

Sept. 17-18 | Cincinnati | Course #44660

The Cincinnati Accounting Show is one of OSCP's premiere events offering you the chance to earn up to 16 CPE credits in topics like tax, A&A, ethics and more. Plus, network with hundreds of your peers, find business solutions with our many exhibitors and gain insight into the topics that are shaping the profession.

Detecting and Preventing Internal Fraud Theft and Abuse

Oct. 7 | Virtual | Course #45767

This virtual webinar, is designed for members who are controllers, CFOs, CEOs, business owners, department managers, loss prevention specialists, HR professionals and investigators. Did you know that entities with fewer than 100 employees lose an average of \$150,000 per fraud? Private companies lose an average of 6% of revenue to fraud theft and abuse. Don't be one of these companies. In this webinar, Gary D. Zeune, CPA will show you simple methods to keep your money.

Business & Industry

section editor: Erin Lasch, CAE

Many domestic insurance policies may include “worldwide” coverage, but may fall short for several reasons:

- Every country’s regulations, legal system and exposures are unique and the insurance policy may not satisfy rapidly evolving local insurance mandates.
- Insurance solutions often do not translate well from one country to another.
- Policy coverage issues arising out of country specific differences in law may result in lengthy and potentially expensive disputes.

Here is another key point: the large print of your U.S. commercial insurance policy likely says it protects against foreign suits. The small print likely says it protects only if foreign suits are filed in the United States. Imagine that you’ve spent millions of dollars developing a presence in Mexico. Imagine that your

product causes a serious problem for a Mexican-based company or citizen. They’ll probably sue you in Mexico, not in the United States. Your company could face the possibility of defending the suit in Mexico and paying all fees and potential awards out-of-pocket – or suffering a legal or public relations blow to your Mexican investments.

A good foreign insurance policy is modular in design, so you can choose only the coverages you need, such as property, business income, general liability, automobile liability and foreign voluntary workers’ compensation.

For example, you might need coverage against foreign suits but have no foreign property to protect. It takes an insurer with specialized multinational insurance knowledge and experience to factor these differences into an integrated global program to help

protect your company. A good policy also comes from an insurance carrier with “boots on the ground” overseas, because when you need help, there is no substitute for being there (as we noted earlier).

Of course, if your business fits Category 2, then you’re likely to fit into Category 1, too.

International insurance often appears to be complicated but needn’t be. As Albert Einstein said, “If you can’t explain it simply, you don’t understand it well enough.” I hope you’re now much more comfortable thinking about your company’s international risks.

Brad Forsythe periodically teaches CPE for OSCPA members and has been in international business since 1975. He is an international trade credit insurance specialist and independent consultant with Cincinnati’s Gallagher SKS insurance brokerage. He can be reached at brad_forsythe@ajg.com or 513.977.8714.

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Health care mandate delayed: What it means for you

By Andrea Esselstein, J.D.

The federal business mandate for large employers to provide health insurance to its full-time employees has been deferred for one year, now taking effect in 2015.

Individuals, however, are still required to carry health insurance starting in 2014 or face penalties. State-based marketplaces or health exchanges are set to be in place by Oct. 1 to help people without access to coverage meet the requirement.

Oswald Companies, The Ohio Society's health insurance partner, provided the following notice to make employers aware of the impact

Below are some of the impacts of this delay:

- Employer coverage mandate and penalty provisions, known as Shared Responsibility, are delayed for one year and will NOT apply in 2014.
- These shared responsibility provisions, as initially effective for plan years on or after Jan. 1, 2014, require large employers (> 50 full-time employees) to offer qualified, affordable coverage to all full-time employees and their dependents OR pay penalties.
- Small employers continue to be exempt from the shared responsibility provisions (< 50 full-time employees).
- The individual health insurance mandate requiring all U.S. citizens have minimum essential coverage OR pay penalties, as of Jan. 1, 2014, is unchanged. (As of July 2013)



“ This delay has an immediate strategic impact for large employers. ”

- New health insurance marketplace (public exchange) qualification steps for individuals and small business to purchase coverage, as of Jan. 1, 2014, are unchanged. Open enrollment within the public marketplace remains scheduled to begin Oct. 1, 2013. (As of July 2, 2013)
- According to a U.S. Treasury Department announcement on July 2, 2013, this delay is to provide time to simplify reporting systems while employers move toward making coverage affordable and accessible. Insurers and employers will need to provide information reporting regarding the coverage offered, to comply in 2015, requiring further implementation guidance.

Next steps: This delay has an immediate strategic impact for large employers. Oswald Companies is exploring the potential for additional implications and will address both challenges and opportunities as formal regulations are issued. Proactive employee education and communication will remain critical within the evolving health insurance marketplace.

For more details on this delay, for future health care reform notices or to get in contact with Oswald Companies, visit OSCPA's website at www.ohioscpa.com/Oswald.

6 talent trends to act on

By Sandra Wiley

The 2013 tax season is behind us, but that certainly does not mean we can take a break. It is time to refocus on other important things in our firm, and one of those is talent; specifically, the human resources trends that every business should be spending time on. The trends below represent the HR issues that should be on your radar as you move forward in 2013.



TAKEAWAYS

Summer is a great time to focus on human resources issues in your firm, including:

- ▶ Health care costs
- ▶ The shortage of skilled professionals
- ▶ Retiring baby boomers
- ▶ The decline in employees' retirement savings
- ▶ The threat of another recession
- ▶ Greater demand for life and work balance

1 Health care costs:

It comes as no surprise that health care costs are not going down in the years ahead. If you are choosing the passive road and simply waiting and seeing what your health care vendor tells you the new rates will be, don't be surprised when you have a panic attack after seeing your new premiums. Start now and proactively talk to your health care provider about the steps your firm can take to hold costs down or change your plan to reduce prices. Some firms are finding that developing "health programs" in their firm and then turning in the ongoing results to their health care providers is a positive step. The results of this proactive approach is lower usage and lower increases in premiums.

2 Shortage of skilled professionals:

This challenge does not come as a huge shock to anyone in our profession. We have amazing talent in our firms, but we want more of them. At the core of the problem is that there are simply less people in the current Gen X and Y age groups than there are in the retiring baby boomer generation. Pair that fact with the lower number of people who are choosing to stay in the public

accounting arena and we just have less people to work with today. This challenge must be met with a stronger emphasis on moving top talent into higher level work faster and more time spent on mentoring, teaching and motivating the best of the best.

3 Retiring baby boomers:

Given the fact that we know we will have less people to replace those that are leaving, retiring partners might be a bit discouraged about their ability to leave the firm when they had planned to. We simply must start thinking in a new way about mandatory retirement ages, ways to attract younger team members



Forensic Accounting: A Comprehensive Guide to Conducting Financial Fraud Investigations

Sept. 11 | Cleveland | Course #44643

Get an in-depth review of the major processes that are performed in a financial fraud investigation, including planning, hypothesis generation, Internet-based and other types of research, link analysis, statistical and other forms of data analysis, interviews and interrogations, and several other phases. Understand the tasks a financial forensic accountant and others perform during a financial fraud investigation.

Get Ready for Peer Review

Sept. 16 | Columbus | Course #44654

This event is designed for CPAs and financial professionals subject to peer review who are involved in the compiling, reviewing or auditing of financial statements of small and midsize businesses. This course helps you prepare for your next review and create a strong quality control environment for your firm. You'll identify the most common, significant deficiencies that peer reviews uncover and what you can do to prevent them from occurring in your firm. You'll discuss the process for selecting the appropriate peer reviewer and determine the right review year-end for your firm.

As I stated earlier, now is the time to act as leaders and be courageous. Use the trends above to develop strategies that will enable your firm to navigate the talent trends of 2013 and end the year in a positive way.

Sandra Wiley, COO and Shareholder, is ranked by Accounting Today as one of the 100 Most Influential People in Accounting as a result of her prominent role as an industry expert on HR and training as well as influence as a management and planning consultant. She is also a founding member of The CPA Consultant's Alliance. Sandra is a certified Kolbe™ trainer who advises firms on building balanced teams, managing employee conflict and hiring staff.



of their future retirement planning. This is a great area to collaborate with an outside vendor to work with your firm. Asking an outside financial planning professional to meet with team members can be extremely valuable to the firm and the individual.

5 Threat of another recession:

When you are clobbered once, it is hard to trust that everything will be ok in the future.

The experts agree that we are recovering slowly. The experts do not agree as to the likelihood of another recession. The challenge is to not let your firm leaders get into a position of being scared. Scared says

that you are in the position of retreat or standing still. You must continue to push forward, improve and strengthen your firm. Be courageous!

6 Greater demand for life and work balance:

The conversation around life and work balance was once thought to be a passing fad. Today, we know that this is not just a "next gen" issue. This is an "everyone" issue. Everyone is searching for more balance including a career that they are passionate about as well as a personal life that is fulfilling. Firms have to continue their quest to develop accountability at work, which includes setting professional goals that will help each individual accomplish the life they want, but will almost never look the same as the next person that walks through the door. That is where the challenge comes. We must have a system in place that allows for flexibility that will connect the needs of the firm with the goals of the individual.

to buy into the ownership track, the amount of time we spend in knowledge transfer and the expectations we have of our new leadership team. All of these old rules and mindsets must change as we move to the next generation of leadership and management in our firms.

4 Decline in employees' retirement savings:

The recession hurt our country and our profession and one area that is not recovering as fast as we had hoped it would is employee retirement savings contributions. While some firm leaders would say "that is their problem, we give them the opportunity and it is up to them to take advantage of it," I contend that as leaders we need to insure that we are educating and encouraging our team in the management and necessity

New iOS 7 to offer plenty for iPhone users

By Kristen Vitartas

Apple's newest iOS 7 redesign, available this fall, is "the biggest change to iOS since the introduction of the iPhone," according to Apple CEO Tim Cook.

Cook is absolutely right. Apple seems to have paid close attention to detail in this redesign, improving on features that are surely common annoyances to regular iPhone users.

Control Center

Until iOS 7, there was never an easy way to quickly access basic controls. With iOS 7, users will gain a Control Center, which can be activated from within any app and gives quick access to:

- Wi-Fi
- Bluetooth
- Airplane mode
- Do not disturb
- Screen brightness
- The ability to play, pause, or skip a song
- Connect to AirPlay-enabled devices

- Flashlight
- Timer
- Calculator
- Camera

Notification Center

The Notification Center is still accessible from any app with a quick swipe down from the top, but it has also received a once-over.

Now available from the lock screen, Notification Center alerts you to new mail, missed calls, to-dos and more as it always did, but there's a new feature called Today that gives you a quick glance of your day, including weather and traffic. Today also gives you a glance into tomorrow so you're always prepared.

The Notification Center allows you to view all of the alerts waiting for you, or just the ones that you haven't addressed in the past 24 hours.

Multitasking

Multitasking allows users to jump from app to app more intuitively. It pays attention to which apps you use most and keeps your content up-to-date in the background.

Camera

Swipe between video, still photo, panorama, and now square mode quickly so you don't miss special moments as they're happening. Camera also has new filters to choose from, which can be applied before or after still and square photos are taken.

Photos

Your photos and videos will also be grouped together in moments, collections and years, based on the date, time and location your photo was taken.

iCloud Photo Sharing makes it easy for friends and family to share photos and videos with shared photo streams. Posting photos, videos and comments will appear on everyone's devices automatically.

AirDrop

Easily share photos, videos, contacts, and anything from any app with a share button with other iOS 7 users who are near you. Make yourself available to AirDrop users nearby, or choose to be only available to your contacts or turn it off completely. Saving received files is easy when files are saved where you



TAKEAWAYS

- ▶ Apple's newest iOS 7 redesign, available this fall, will offer significant enhancements and changes that will address concerns of longtime iPhone users.
- ▶ Users will gain a Control Center offering quick access to important settings and features.
- ▶ The Notification Center will offer more, including weather and traffic.
- ▶ Multitasking will allow users to jump from app to app more intuitively.
- ▶ Camera and photo enhancements will include new filters and iCloud Photo Sharing.
- ▶ iPhone users can look forward to enhancements to Safari, Siri, iTunes Radio and more.

LEARNING OPPORTUNITIES

Microsoft Excel - Data Management

Sept. 27 | Columbus | Course #44871

Have you ever thought, "There must be a better way to do this?" Bring your laptop and join Excel enthusiast Bob Howard, of BobExcel, LLC, for an informative training session that will empower you and increase your productivity. From this one-day class you will learn many skills, functions and shortcuts for managing data.

App Store

Apps Near Me shows you popular apps based on your location, and easily finds kids apps based on age. But perhaps the best feature added to the App Store is the device's ability to schedule updates at power-efficient times, (saving your battery life) such as when your device is connected to Wi-Fi.

would expect them to be: a photo in your Photo Stream, a contact in your Contacts, a pass in your Passbook, etc.

AirDrop works with Wi-Fi and Bluetooth and is encrypted so that what you share is secure.

Safari

Safari received an upgrade as well, with more content available with full-screen browsing, a new view for bookmarks, and open web pages and a simplified search. But perhaps the biggest changes to Safari are the addition of Shared Links, which allows users to see links posted by your Twitter followers, the iCloud Keychain and Password Generator.

The iCloud Keychain works much like a password manager, in that it

remembers account names, passwords and credit card numbers, automatically entering them when needed across all iOS 7 devices and Mac's running OS X Mavericks. iCloud Keychain works with the Password Generator, which can have Safari generate a unique password and remember it for you.

Siri

Integrated with more sources such as Twitter and Wikipedia, Siri also has new male and female voices, and helps change settings on your device as well as returning calls, playing voicemail and more.

iTunes Radio

Discover new music with pre-selected stations from the best selection of songs online, or create your own stations and purchase songs easily.

TECH TEST



How well do you know Microsoft Outlook ?

Take this test and find out now!

Tech Test By J. Carlton Collins, CPA

1

Is it possible to send an email message that updates the recipient's calendar? If so, how?

2

How many e-mail addresses can Outlook manage for you?

3

Can an email message be converted into a task? If so, how?

4

When using multiple inboxes, how do you set a default?

5

How do you send a contact's information to another recipient as a business card?

(You can read Carlton's monthly technology column as it appears in the Journal of Accountancy here: www.carltoncollins.com)

- Answers:**
1. Yes, send a Meeting Request instead of an email. If your recipient accepts the meeting, their calendar (and yours) will be automatically updated.
 2. Unlimited. Outlook will retrieve and manage your messages whether you have one or dozens.
 3. Make sure your Task List is visible in your Mail window, then drag and drop the email to your Task List. If necessary, right-click the task and select Rename Task and edit the task verbiage.
 4. Select File, Options, Advanced, and under Outlook start and exit, browse for the desired folder.
 5. In Contacts (or People in Outlook 2013), select a contact from your Contact List, then select Home, Forward Contact, indicate the recipient and send.

Cautionary tales on the road to succession

By Cindy Frey, CPA

Succession planning has become a top priority for CPA firms. That's one clear message of the 2013 PCPS CPA Firm Top Issues survey. Back in 2011, when the survey was last taken, only the largest firms cited succession as a critical concern. This year, however, it was identified as a hot topic for nearly all firm segments.

To many practitioners, succession planning is a bit like exercise. You know it's a great idea, but it's often something you'd like to do later rather than sooner. But putting off succession planning – or, even worse, failing to do it at all – carries serious consequences.

Failure to plan

According to the 2012 PCPS Succession Survey, fewer than 10% of sole proprietors have practice continuation agreements, which spell out who will keep the practice running in case of a practitioners' unexpected illness or purchase it if he or she dies. That's no surprise to CPA Rusty Roy of Roy & O'Connor CPAs, Inc., in Paso Robles, California. Roy is part of a volunteer team his state society calls in when a practitioner is terminally ill and needs help with transition.

He particularly remembers one incident in which the practitioner passed away within a week of first contacting Roy – in January. At a local CalCPA chapter meeting, Roy asked other members

to step up and help complete the firm's W-2s and payroll and sales tax returns. One of the CPAs at the meeting ended up buying the practice from the surviving spouse and salvaging it, but the story would have been much different if it weren't for the volunteers' quick action.

The only way to avoid that kind of mess, Roy said, is through a practice continuation agreement. In seeking firms to work with on an agreement, it might be necessary to look to somewhat larger practices so they are realistically able to absorb the practice into their own. Another possibility is putting together a group of two to three planned successors so each one can absorb a manageable portion of the practice. He also recommends arranging a cross coverage arrangement with several CPAs who could keep the practice up and running during an illness.

Failure to make a smooth transition

In some cases, even seemingly well-laid plans can't undo damage done once the deal has been made. Bea Nahon, a sole practitioner in Kirkland, Washington, saw the consequences first hand when a practitioner she knew who was nearing retirement agreed to sell his solo practice to a larger firm with about 12 people. She recalls several serious mistakes the successor firm made as part of what became a very rocky transition:

- The successor firm did not inspect the retiring CPA's client files. It knew nothing about them beyond their names, the work done for them and the annual fees.

- The firm discouraged any continuing contact with the retiring CPA because it wanted to forge a quick connection with his clients. "There were people who called and asked for the former CPA who had worked with him for 20, 30 or 40 years," Nahon said. "They were transferred to someone they didn't know."
- The successor immediately raised fees and began to aggressively market new services to the existing clients.

As a result, "clients migrated fast," she said. Because the merger agreement was based on client retention, the retired CPA and successor firm ended up in arbitration. He won the suit and received his expected payout, but arbitration certainly had not been in his plans. The lesson learned: It's important for both sides to consider the viability of the transition plan to ensure it's designed to ensure maximum client retention.

Nahon has also seen the process work when she was with a 50-person firm in Seattle that acquired a small practice. Not only did it institute what she calls a "gentle transition," it also made sure to retain the acquired firm's administrative assistant, along with all other staff members. The assistant had built many strong relationships with clients over the years and was able to help maintain them for the new practice.

Failure to stay up to speed

Firms that are hoping for a merger but aren't living in the digital world might find their options severely limited, said Joel Olbricht of Olbricht Storniolo Group LLC, in Hampstead, N.H.



Roy



Nahon



Olbricht

“Our firm has looked at acquisition candidates in some very small towns,” Olbricht said. “Some are all paper-based and their clients are not online. If they are hoping to sell, they are going to have to find a buyer who wants to move into that area,” which could be a real challenge. “They would do better to plan in advance to transition clients to the digital world so that location doesn’t matter.”

Olbricht also believes potential buyers can take the initiative to

secure successful transitions by researching the deal-making options available to them, such as the two-stage deal designed by consultant Joel Sinkin.

“The main goal is to maximize value for both parties,” Olbricht said. “When you buy a CPA firm, you want to make sure the clients are retained. As the buyer, if you do whatever you can to effect a smooth transition, both sides win.”

Avoid the guesswork

“Clients are free agents,” Nahon said. “You have to make sure they feel really important. They have a bond with the practitioner and if you try to break it too quickly, you will lose them.”

Roy also reminds practitioners that succession planning should include not only big picture concerns—such as who will buy the practice – but also day-to-day details. He was only able to access the deceased CPA’s computer files, for example, because the surviving spouse guessed the man’s password. By starting early and engaging in thorough planning, CPAs can take the all of the guesswork out of succession.

Cindy Frey, CPA, is project manager, PCPS/Firm Services, at the AICPA Private Companies Practice Section.

From the 2012 PCPS Succession Survey – Sole Proprietors

Single-Owner Practices With Employees as well as Solo Practitioners

I currently have an existing Practice Continuation Agreement with another practice:

		2012	2008
Yes		6%	9%
No		94%	91%

From the 2012 PCPS Succession Survey Commentary – Multi-Owner Firms

Transitioning Clients

When owners are two or three years out from retirement, they:

		2012	2008
Are required to start transferring their clients to owners or managers selected by the firm		32%	32%
We do not have any owners planning to retire in the next five years, and this has not been addressed		30%	23%
Are not asked to do anything unique until one year before retirement		25%	27%
Are required to start transferring their clients to owners or managers selected by the retiring partner		18%	17%
Are removed from the firm-wide partner compensation plan and receive a special plan that motivates them to focus on transition activities		5%	7%
Are rewarded financially for specific clients transferred during each year of transition		4%	5%
Are penalized financially if a certain number of clients are not transferred each year		4%	4%
Other		9%	15%

When two or three years away from retirement, partners at nearly one-third of firms are required to start transferring clients according to a firm plan. Another quarter have no requirements until about one year before retirement. Although many smaller firms may find three years too long, a one-year transition carries a great deal of risk and will likely result in lower client retention upon the partner’s departure.

For 30% of firms, no owners plan to leave in the next five years, so they have not addressed this issue. Still, it would be advisable to create transition policies sooner rather than later. We find that discussing transition when no one is close to retirement generates the most rational and productive conversations.



CPA DAY OF SERVICE



CPA Day of Service volunteers gather to make a difference

Nearly 100 OSCP member volunteers came together to make Ohio a better place June 21 on the first CPA Day of Service.

Connie Woods, CPA, of Woods & Woods Associates in Vandalia said the event was a great way to recharge and meet people in the community.

“It feels good inside to do something like this,” Woods said. “It’s a great way to take yourself out of the work environment, not deal with numbers and clear your head.”

Volunteers worked at a dozen not-for-profit organizations doing things such as stocking food pantry shelves, planting gardens, delivering meals-on-wheels and working at a day camp for children with special needs.

“We appreciate the help that your volunteers provided,” said Terri Rowe from Faith Mission of Columbus. “They served lunch and then worked

in the garden weeding, watering and planting. The garden is growing veggies and herbs for our busy soup kitchens.”

Diane Osman, development and volunteer specialist at United Rehabilitation Services in Dayton, said because the CPA Day of Service was planned in advance, employees were able to prepare a full slate of activities for their clients, including crafts, fair food and games.

“We like to have volunteers come out, because we don’t have the staff to be able to do something like this,” Osman said.

Michele Linton from Walthall, Drake & Wallace LLP, CPAs said her day at Parmadale Institute was a busy one.

“They really had us working,” she said. “Two people worked inside cleaning and the other eight were outside landscaping with their crew – weeding, ripping up dead bushes, cleaning out beds, etc.”

Mark Schutter, CPA, investment officer with Miller-Valentine Group in Dayton, said the event was a great way to network.

“Also, you realize how blessed you are in the community to have a place like United Rehabilitation Services,” Schutter said. “You can tell you’ve made a difference in the lives of each of these individuals just by the smiles on their faces.

“I’ll tell you one thing: After today, I’ll be a better professional, a better adviser and a better parent.”

Linton said she and her colleagues are already looking forward to 2014.

“We had a great day,” she said. “We can’t wait for next year!”

To see more pictures of this year’s event, visit OSCP’s Flickr page at www.flickr.com/photos/oscpa.

Thank you to all of our volunteers!

Haven of Rest Ministries (Akron)

- ★ Katie Mayes (site coordinator),
Brockman, Coats, Gedelian & Co.
- ★ Chad Flath,
Brockman, Coats, Gedelian & Co.
- ★ Barry Garvin, CPA,
Garvin, Zwick & Goldman LLC
- ★ Jacqueline Roth, CPA,
Walsh University

Stepping Stones Center (Cincinnati)

- ★ Bob Horstman, CPA (site coordinator),
Battelle & Battelle LLP
- ★ Patty Goedel, CPA (site coordinator),
University of Cincinnati Clermont College
- ★ Tracey Hawkins, CPA,
University of Cincinnati
- ★ Elvire Koudjou,
University of Cincinnati
- ★ Jodi Hatherly Luyster, CPA,
Navigant Consulting
- ★ Peggy Sepate, CPA,
H.K. Campbell & Company, Inc.

Parmadale Institute (Cleveland)

- ★ Michele Linton (site coordinator),
Walthall, Drake & Wallace LLP CPAs
- ★ Susan Amoroso,
Walthall, Drake & Wallace LLP CPAs
- ★ Linda Dancisko, CPA,
Walthall, Drake & Wallace LLP CPAs
- ★ Dan Holben, CPA,
Walthall, Drake & Wallace LLP CPAs
- ★ Judy Mondry, CPA,
Walthall, Drake & Wallace LLP CPAs
- ★ Kim Teague,
Walthall, Drake & Wallace LLP CPAs
- ★ Khadijah Spears
- ★ Jim Sprague, CPA,
Walthall, Drake & Wallace LLP CPAs
- ★ Joy Wenzicki,
Walthall, Drake & Wallace LLP CPAs
- ★ LouAnn Wiegand,
Walthall, Drake & Wallace LLP CPAs



2013 CPA Day of Service



America SCORES (Cleveland)

- ★ Giselle Kaschalk
- ★ Qiaoyi An

LifeCare Alliance (Columbus)

- ★ Marc Brough, CPA (site coordinator), Plante Moran, PLLC
- ★ Owen Wyss, CPA (site coordinator), Diamond Innovations, Inc.
- ★ Greg Bonnell, CPA, Columbus Industries Inc.
- ★ Matt Endres, CPA, Plante & Moran, PLLC
- ★ Shawana Jackson, CPA
- ★ Mary Peters, Jones & Company

Habitat for Humanity Restore East (Columbus)

- ★ Kristi Blausey, CPA (site coordinator), Landaker & Associates, Inc.
- ★ Jane Rumora, CPA (site coordinator), GBQ Partners
- ★ Martha Huff, CPA
- ★ Kurt Van Dyke, CPA, State Auto

Habitat for Humanity Restore West (Columbus)

- ★ Jane Lee (site coordinator), OSCPA
- ★ Nick Drew, CPA, NiSource
- ★ Melissa Rager, CPA, GBQ Partners
- ★ Beth Riestenberg, CPA, GBQ Partners
- ★ Jennifer Zimmerman, CPA, GBQ Partners

Faith Mission and Faith on 8th (Columbus)

- ★ Jo Ann Burroughs, CPA (site coordinator), Burroughs Associates, Inc.
- ★ Alex Swain, CPA (site coordinator), Ernst & Young LLP
- ★ John Fabrizio, CPA, Fabrizio & Shultz, LLC
- ★ Jennifer St. John
- ★ Susanne Taylor, CPA, NiSource

“

It feels good inside to do something like this. It's a great way to take yourself out of the work environment, not deal with numbers and clear your head.

”

★ Connie Woods, CPA ★

Aullwood Audubon Center and Farm (Dayton)

- ★ Amye Boyers, CPA (site coordinator),
Battelle & Battelle LLP
- ★ Michelle Ireton, CPA (site coordinator),
Nolan, Giere & Co.
- ★ Laurie Adams, CPA,
Battelle & Battelle LLP
- ★ Amanda Coomer, CPA,
Battelle & Battelle LLP
- ★ Heather Fetter,
Nolan, Giere & Co.
- ★ Thomas Giere, CPA,
Nolan, Giere & Co.
- ★ Toni Hall, Nolan,
Giere & Co.
- ★ Allyson Huve, CPA,
Battelle & Battelle LLP
- ★ Erin Johnston, CPA,
Nolan, Giere & Co.
- ★ Nick Nolan, CPA,
Nolan, Giere & Co.
- ★ Leah Pleiman,
Battelle & Battelle LLP
- ★ Luisa Schmidt,
Battelle & Battelle LLP
- ★ Jacob Schroeder, CPA,
Nolan, Giere & Co.
- ★ Jessica Schwieterman,
Battelle & Battelle LLP
- ★ Jessica Sheets, CPA,
Battelle & Battelle LLP
- ★ Kim Smith, CPA,
S.J. Meyer & Assoc.
- ★ Kaitlyn Spahr,
Battelle & Battelle LLP
- ★ Leigh-Ann Sparks,
Battelle & Battelle LLP
- ★ Kathy Summers, CPA,
Nolan, Giere & Co.
- ★ Constance Woods, CPA,
Woods & Woods Associates Ltd





United Rehabilitation Services (Dayton)

- ★ Amanda Wilson, CPA (site coordinator),
Flagel Huber Flagel
- ★ Linda Cavanaugh, CPA,
Dayton Power & Light Co.
- ★ Katie Deitemeyer, CPA,
Dayton Power & Light Co.
- ★ Kirstin Goldsberry,
Flagel Huber Flagel
- ★ Amanda Goldsberry
- ★ Noreen Hall, CPA,
Miller-Valentine Group
- ★ Kristin Harrington,
Flagel Huber Flagel
- ★ Tori Haskell, CPA
- ★ Maggie Houston, CPA,
Wright State University
- ★ Cindy Lee, CPA,
Dayton Power & Light Co.
- ★ Nancy McFarland,
Dayton Power & Light Co.
- ★ Katie Pavy, CPA,
Flagel Huber Flagel
- ★ Wendy Phelps,
Flagel Huber Flagel
- ★ Mark Schutter, CPA
- ★ Carol Tolson,
Flagel Huber Flagel
- ★ Jeanne Urban,
Flagel Huber Flagel

Toledo Northwestern Ohio Food Bank (Toledo)

- ★ Patrick Peatee, CPA (site coordinator),
Health Care REIT, Inc.
- ★ Andrew Wettle, CPA (site coordinator),
Plante Moran
- ★ Jim Connell, CPA,
NSS Enterprises, Inc.
- ★ Tara Harbauer,
Plante Moran
- ★ Corey Jacobs, CPA,
Plante & Moran
- ★ Brooke Smith,
Plante Moran

“ I’ll tell you one thing: After today, I’ll be a better professional, a better adviser and a better parent. ”

★ Mark Schutter, CPA ★

Second Harvest Food Bank (Youngstown)

- ★ Jessie Wright, CPA (site coordinator), Schroedel Scullin & Bestic LLC
- ★ Denise Beil, Schroedel Scullin & Bestic LLC
- ★ Dave Blasko, CPA, Hill, Barth & King
- ★ Stephanie Chiarella, CPA, Hill, Barth & King
- ★ Jennifer Fisher, CPA, Hill, Barth & King
- ★ Erica Gonzalez, Hill, Barth & King
- ★ Rachel Leedy, Hill, Barth & King
- ★ David Minnie, Hill, Barth & King
- ★ Judy Schmied, Hill, Barth & King
- ★ Joseph Strawinski, Schroedel Scullin & Bestic LLC
- ★ Breanne Szmara, Schroedel Scullin & Bestic LLC
- ★ Jackie Zetts, Hill, Barth & King

Thank you to all of the firms and businesses that supported the CPA Day of Service, with special thanks to Nolan, Giere & Co. in Dayton, who closed for the day so their staff could participate.

The following firms and businesses sent multiple volunteers:

- ★ Battelle & Battelle LLP (Dayton)
- ★ Brockman, Coats, Gedelian & Co. (Akron)
- ★ Dayton Power & Light Co. (Dayton)
- ★ Flagel Huber Flagel (Dayton)
- ★ Hill, Barth & King (Youngstown)
- ★ NiSource (Columbus)
- ★ Nolan, Giere & Co. (Dayton)
- ★ Plante Moran (Columbus and Toledo)
- ★ Schroedel Scullin & Bestic LLC (Youngstown)
- ★ Walthall, Drake & Wallace LLP CPAs (Cleveland)



OSCPA Store {open for business}

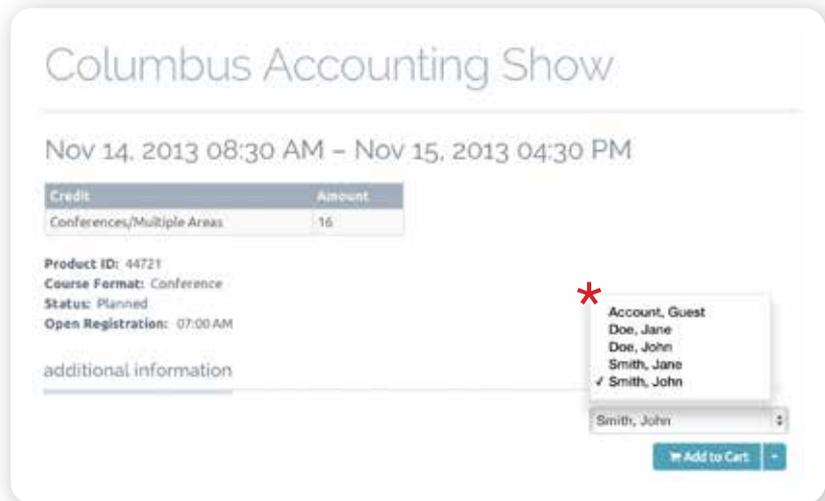
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A golden legacy

LaPlaces are first father-son pair to win Gold Medal

By Ashley Hofer

The CPA profession is something of a tradition in the LaPlace family. Mark LaPlace, CPA is a 33-year veteran of the field, and his father, Bill, spent his entire career in what is now the Big Four world. Both of Mark's children are pursuing CPA careers as well.

Mark LaPlace said his father's work is what first inspired him to join the profession.

"When I was growing up, that was the environment I saw," he said. "For a whole host of reasons, (the profession) was sort of a natural place for me to land and follow in his footsteps."

Mark followed his father's example again in June when he received the Gold Medal for Meritorious Service to the Accounting Profession during OSCPAs Members Summit & Annual Meeting. That made them the first father-son pair in OSCPAs history to earn the Society's highest honor. Bill LaPlace received the award 25 years earlier, in 1988.

"My father clearly was the one who got me interested in this profession," Mark LaPlace said. "To be able to complete the journey and be the first person to be the second-generation Gold Medal winner, I take a lot of pride in that."

Beyond the similarities – both Mark and his father also served as chairs on the OSCPAs Executive Board – Mark has made his own mark on the accounting

profession. He cited his decision more than two decades ago to leave the Big Four world of accounting and join GBQ Partners, LLC as the biggest highlight of his career.

“My father clearly was the one who got me interested in this profession. To be able to complete the journey and be the first person to be the second-generation Gold Medal winner, I take a lot of pride in that.”

Mark LaPlace

"I have what I believe to be a bit of an entrepreneurial spirit," Mark said. "My move to GBQ allowed me to expand and exercise my entrepreneurial spirit while still staying in the CPA service side of the profession."

Mark has committed much of his spare time to professional organizations. A 30-year member of OSCPAs, he has served on more than a dozen different committees within the Society, and has also provided leadership for The Ohio CPA/PAC and the Accountancy Board of Ohio.

Mark attributed his service on the Structure/Governance Task Force in the mid-'90s as launching his deep



involvement with OSCPAs. He also said working with OSCPAs governmental affairs team helped him discover his interest in politics and government.

"That really opened my eyes to an area I am still pretty passionate about," he said.

In addition to meeting "all kinds of phenomenal people," Mark said his volunteer experience showed him new perspectives.

"It put me in a position where I got to see many of the ways our profession operates outside of the walls of my particular CPA firm," he said. "And because of that, I have a really deep appreciation for what CPAs as a profession are able to do, what they can accomplish, and how truly special most of us folks are."

With the Gold Medal, Mark joins the 39 other CPAs who have also been recognized for their above-and-beyond dedication to the profession. Though family tradition certainly played an inspirational role, Mark said receiving the Gold Medal is also significant in its own right.

"It is really meaningful to me because I spent so many years with part of my volunteer world working with and on the profession," he said. "To be able to receive an award that, for all practical purposes, is recognizing an area where I was totally passionate about spending my time anyway is kind of the icing on the cake."

Unanticipated career turn leads to success

By Ashley Hofer

When Arnold Hanish, CPA began his accounting career in 1970, he never imagined where it would take him.

“I started out in my career thinking I would be a partner in a CPA firm ... and then, lo and behold, I was one day appointed chief accounting officer of a Fortune 150 Company,” Hanish said. “You just never know what path your career will take.”

Hanish, an Ohio native and University of Cincinnati graduate, retired in December after working nearly 29 years with Eli Lilly & Company, a Fortune 150 pharmaceutical company based in Indianapolis. For the last 18, he held the role of chief accounting officer and vice president of finance.

Leading what he called “a multi-faceted career,” Hanish worked extensively in auditing, taxation and management. After spending nearly 14 years of his early career with what was then Arthur Young & Co., Hanish said the move to Lilly was a great career decision.

“The world of Lilly opened up a lot of opportunities for me to get involved in the profession on the national scene,” Hanish said.

Hanish cited his national involvement with numerous task forces and committees as some of his favorite career highlights. Specifically, he recalled leading the pharmaceutical industry effort to address concerns surrounding the potential consumer hoarding of products during the Y2K conversion. As one of two industry representatives, he also dedicated three years to co-develop a white paper for the AICPA on how to account for and value in-process research and development costs.

An OSCP member since 1972, Hanish said the profession has changed significantly over the past four decades.

“There is just no comparison in the amount of work and activity and complexity that has to be dealt with today from what it was 25 years ago, let alone 40 years ago,” Hanish said, citing among other aspects a transition from historical costs to fair value accounting. “It has become so much more complex.”

Despite all the change, Hanish said one thing has remained fairly constant: the importance of integrity of the profession.

“The integrity that people in the profession have, for the most part, I’m very proud of that,” Hanish said,



warning CPAs not to succumb to pressure to act inappropriately.

“Because you have to be able to feel good about who you are and feel good about going home at night and making sure your CPA certificate is still on the wall. We are the gatekeepers for the investors.”

Hanish said he has no intention to slow down in his retirement, and so far he hasn’t. He recently joined the board of Omeros Corporation and also serves as chairman of its audit committee. He also is on a task force for the Center of Audit Quality and said he is continuing his active involvement in the Financial Executives International Committee on Corporate Reporting, which he chaired for three years. Most importantly, however, he wants to continue his work to improve the accounting profession.

“Right now, I define my retirement as an active retirement,” he said. “I want to remain active professionally, I want to spend time with my family, maintain my cognitive skills and to continue to influence the profession. ... I’m very proud of being a CPA, so I want to give back to the profession.”

“ There is just no comparison in the amount of work and activity and complexity that has to be dealt with today from what it was 25 years ago, let alone 40 years ago. It has become so much more complex.”

Advice from a veteran CPA

After a career spanning more than four decades, Hanish knows a thing or two about the accounting profession. He shared some insights on how to succeed as a CPA.

Keep on Learning: Hanish said the field has grown in complexity over the years. CPAs must keep pace with the changes.

“To be a successful accountant today, you have to embrace continuous learning,” he said. “If you’re not willing to stay abreast with development, regardless of how old you are and how long you’ve been in the profession, you’ll become obsolete within a relatively short period of time.”

Know Your Limits: Even if you make the commitment to learning, Hanish said it is OK to honestly admit when you are unsure.

“Never be afraid to tell your client or your customer that you don’t know something,” he said. “The world of accounting and tax is very complex. No one can know it all.”

Be Creative...: Hanish said the best CPAs embrace creativity and think outside of the box.

“They are just creative in the sense that they understand the accounting rules well, very well, and they are able to interpret those

accounting rules in a way that enhances shareholder value,” he said. “Use all the resources that are available to you.”

...But Stay in Bounds:

Hanish warned that CPAs will encounter people who want to “push the envelope” of the rules. But he said maintaining the profession’s integrity is of utmost importance.

“Successful accountants need to remain above all of that,” he said. “They need to have stature and the backbone to know the difference between right and wrong.”

RECOGNITION

It’s what the CGMA® designation stands for

Officially, it’s Chartered Global Management Accountant®. Established by AICPA and CIMA, two of the world’s most prestigious accounting bodies, the CGMA designation represents accomplished professionals who drive and deliver business success, worldwide.

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Be ready, be connected, be successful with the **Cincinnati Accounting Show**

Two new CPE tracks will make their debut this year at the Cincinnati Accounting Show – AICPA Financial Planning and Leadership/Lifestyle – as the two-day event returns Sept. 17-18 to the Duke Energy Center.

The show will include the latest in tax, A&A, not-for-profit and technology education, offering CPAs in the region a chance to get the most relevant information on key CPE topics from the industry's leading minds. There are also two opportunities to satisfy your three-hour professional standards requirement.

The Cincinnati Accounting Show is an affordable way to earn up to 16 CPE credits, gain insight into the topics that are shaping the profession, find business solutions with our many exhibitors and network with hundreds of your peers.

This event is designed for all CPAs and financial professionals who need to learn about a variety of topics:

- Review tax strategies and the latest tax updates for federal, state and municipal
- Learn the latest news on health care reform regulations
- Get an A&A update including sessions on the Clarity Project and an auditing update

- Explore the hottest topics for corporate CPAs
- Get the most recent updates on FASB
- Review the new private company standards and proposed OCBOA standards
- Identify internet security risks and discover new Excel tips and tricks
- Satisfy your professional standards requirement
- Learn leadership and team building techniques

As the largest gathering of your colleagues and peers in the region, the Cincinnati Accounting Show can help you stay on top of your professional development.

OSCPA Spotlight Events

Financial Reporting Framework for Small and Medium Sized Entities

Aug. 28 | Cleveland | Course #45557

Aug. 29 | Cincinnati | Course #45559

Aug. 30 | Columbus | Course #45558

Aug. 30 | Webcast | Course #45560

Designed for accountants, financial managers and CPAs involved in preparation, review or attestation of financial statements for small to medium sized entities, this event offers a thorough overview of the new AICPA Financial Reporting Framework for Small and Medium Sized Entities (FRF-SME). In this day-long seminar and webcast, you'll learn the ins and outs of the new framework, get best practices for applying it and get tips to ensure that your SME clients stay compliant.

- Discover more about financial statement concepts
- Get tips on how to ease the transition between GAAP to FRF-SME
- Learn about accounting for inventories and investments, revenue, leases, income taxes, related party transactions and subsidiaries
- Find out about the advantages of using FRF-SME

Business Valuation Conference

Sept. 27 | Columbus | Course #44941

Sept. 27 | Webcast | Course #45598

NEW! Even in this uncertain economy, the business valuation niche is continuing to grow. To enhance your position in this profitable field, it is essential to have a thorough understanding of the standards, regulatory practices and challenges that are constantly evolving. Designed for CPAs and business valuation analysts at all levels, this conference will give you the skills you need to become a leader and asset to your organization when they need reliable business valuation guidance.

- Get a high-level overview of this burgeoning industry and learn about the regulatory practices that govern it
- Learn critical strategies to become familiar with the business valuation industry
- Discover how you can develop your own business valuation practice

Members in Motion

AKRON

JIM DANNEMILLER, CPA has been promoted to managing director at SS&G. He will co-manage the Akron office.

SHELLEY PLAS, CPA, M.ACC., MBA has joined Schlabig & Associates as a staff accountant.

CLEVELAND

EDDIE BLAUGRUND, CPA/ABV/CFP, CFE has been promoted to director at SS&G Parkland. He has been a member of the SS&G team for 17 years.

MARIO CICLONE, CPA, MBA has joined SS&G as an associate in the tax department.

COURTNEY OCKENDEN, CPA, M.ACC.

has joined SS&G as a senior associate in the entrepreneurial service group.

PAUL WEISINGER, CPA/ABV, CVA

has been promoted to partner at Walthall, Drake & Wallace LLP. Weisinger joined the firm in 1999 and previously served as senior manager.

COLUMBUS

SUMMER COGAR, CPA has been promoted to corporate controller at R.G. Barry.

JOYCE GOLDENBAUM, CPA, MBA,

CFE has joined SS&G as an associate in its entrepreneurial services department.

Gary Sandefur, CPA has been named vice president, mergers and acquisitions and integration at R.G. Barry.



Paul Weisinger, CPA/ABV, CVA Sarah Galley, PHR

DAYTON

SARAH GALLEY, PHR received the Association for Accounting Administration's ACE Award. The award, which stands for "Achievement, Commitment and Excellence," is presented annually to an outstanding senior-level administrator at a public accounting firm. Galley is firm administrator for Pohlman & Talmage CPAs, Inc.

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The Ohio CPA Foundation



Share your financial expertise through FETCH!



Mark your calendar for
Wednesday, Nov. 13!

The Ohio CPA Foundation and OSCPA are offering you the chance to help kids, promote your profession and have fun – all in just a few hours this November.

FETCH!® will be played in hundreds of elementary schools across Ohio on Wednesday, Nov. 13, and we need your help to make it a success.

FETCH!, which stands for “Financial Education Teaches Children Healthy Habits®,” teaches students important financial literacy. It offers CPAs a fun platform to share their expertise and help young people understand how to use and manage money successfully.

FETCH! is an interactive board game that teaches students important

financial literacy concepts such as budgeting, saving and smart spending. Based on the theme of owning and caring for a pet, the game takes student teams through a dog park full of financial risks and rewards.

Through teamwork, strategy and competition, kids learn important concepts that are the foundation for a healthy financial future. Teams must make financial decisions, use their math skills, budget for unexpected expenses and plan ahead to avoid fines imposed by the dog catcher. The team that has purchased all required items for their dog and accumulated the most money at the end of the game wins.

Designed for 5th and 6th grade students, FETCH! is led in the classroom by a team of three or

four OSCPA volunteers. To date, FETCH! has mobilized more than 3,800 CPAs and volunteers and reached more than 33,000 elementary school students in Ohio.

You can participate in FETCH! 2013 by signing up at www.CPAsintheClassroom.com. You can volunteer as a group or individually, and you can even pick the school you'd like to visit. The Ohio CPA Foundation provides everything you need. We can also match you with a school in your community.

To learn more, visit www.CPAsintheClassroom.com or contact Jerad Wood at jwood@ohio-cpa.com or **800.686.2727 ext. 315**.

No matter your location or the time of day, you can gain CPE credit. How? Through the self-assessment exam provided in every issue of *CPA Voice*. It's so convenient and portable you can take it anywhere and anytime. Simply answer the 12 required questions on page 39 based on content in *CPA Voice* and submit your answers to The Ohio Society of CPAs. Receive a grade of 70% or better and earn one hour of CPE credit in specialized knowledge.

Costs	ONLINE	PRINT
Members	\$15	\$20
Nonmembers	\$30	\$40

Note: Exams remain available online for one year after publication.

Online Instructions

1. Go to www.ohioscpa.com. Log in to receive the member rate.
2. Click on "Publications."
3. Click on "Self-Assessment Exam." This will provide links to all active exams through the OSCPA Store.
4. Purchase the exam.
5. When you are ready to take the exam log in to the OSCPA Store and click "current registrations," click on "visit classroom," and then click "take quiz."
6. Be sure to print the automatic confirmation page for your records.

Print Instructions

1. Take the exam as an open-book test, recording your answers on the answer sheet by filling in the appropriate circle (pen or pencil is fine).
2. Then, fill out the registration information and payment information. Payment must be submitted with the exam. Please print clearly.
3. Mail this page, along with your payment, in an envelope to: **The Ohio Society of CPAs CPA Voice Exam, P.O. Box 1810, Dublin, OH 43017-7810**
4. Fax to **614.764.5880**.

Self-Assessment Exam Results

The Ohio Society sends results for print exam submissions via email if an email address is provided on the form. Respondents taking the exam online receive their results immediately. Respondents who pass with a grade of 70% or better receive one hour of CPE credit in specialized knowledge, as approved by the Accountancy Board of Ohio.

ANSWER SHEET

- | | | | | | | | | | |
|----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 1. | (a) | (b) | (c) | (d) | 7. | (a) | (b) | (c) | (d) |
| 2. | (a) | (b) | (c) | (d) | 8. | (a) | (b) | (c) | (d) |
| 3. | (a) | (b) | (c) | (d) | 9. | (a) | (b) | (c) | (d) |
| 4. | (a) | (b) | (c) | (d) | 10. | (a) | (b) | (c) | (d) |
| 5. | (a) | (b) | (c) | (d) | 11. | (a) | (b) | (c) | (d) |
| 6. | (a) | (b) | (c) | (d) | 12. | (a) | (b) | (c) | (d) |

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- Member of The Ohio Society of CPAs Nonmember
 Membership pending (Ohio Society) Other state society member

Tax considerations in the wake of the DOMA ruling

1. Section 3 of DOMA (Defense of Marriage Act) states that marriage is:

- A. a legal union between one man and one woman as husband and wife.
- B. a legal union between a man and a woman.
- C. open to interpretation.
- D. a legal union between one man and one woman irrespective of whether they are also considered husband and wife.

2. Section 2 of DOMA provides that no state is required to uphold any law of another state that recognizes:

- A. marriage between a man and a woman.
- B. same sex marriages.
- C. all marriages, regardless of their purpose.
- D. all divorces, regardless of their purpose.

3. One of the tax implications of the Supreme Court's decisions is that same sex married couples can:

- A. file joint tax returns at the state and federal levels regardless of the state in which they live.
- B. file joint tax returns at the federal level.
- C. file joint returns at the federal level, but not necessarily at the state level.
- D. take a dependency exemption for qualifying children on their federal tax returns in states where same sex marriage is recognized.

Top 5 considerations for retirement plan audits

4. Which of the following are aspects of retirement plan audits that accountants should keep at the top of their minds?

- A. Fair market value measurements
- B. ESOP plan valuation of marketable securities
- C. Reporting implications of plan fee disclosures
- D. All of the above

5. MAP-21, Moving Ahead for Progress in the 21st Century Act, provides for two significant changes in defined benefit plans. Which of the following does not represent one of these changes?

- A. Funding calculations will now be able to be based on adjusted segment rates based on a trailing 20 year average.
- B. A floor and a ceiling now apply to the segment rates used in funding calculations.
- C. The legislation increases the premiums paid to the PBGC (Pension Benefit Guaranty Corporation).
- D. The fixed rate portion of the PBGC premium will be adjusted for inflation after 2014.

6. What does MAP-21 attempt to stabilize?

- A. The interest rates used in calculating minimum required contributions
- B. The amounts paid by the plan to any one employee
- C. The balance sheet calculation of the pension benefit/asset
- D. The premiums paid to the PBGC by select employers

7. Certain fee disclosure requirements related to pension plans became effective on July 1. What are these disclosures commonly referred to as?

- A. 409 (b) (2) disclosures
- B. 410 (a) (1) disclosures
- C. 408 (b) (2) disclosures
- D. 402 (b) (2) disclosures

Protecting your international business people, assets and reputation

8. U.S. commercial insurance policies that provide worldwide coverage often cover lawsuits against your company. The one drawback with many of these commercial policies is that insurance protection against such suits requires that a foreign individual/company file a lawsuit against your company in a:

- A. Foreign court.
- B. U.S. or foreign court.
- C. U.S. court.
- D. Court with jurisdiction over the case.

5 Talent trends to act on

9. Companies should be paying attention to, and acting on, five talent trends. Which of the following is not one of these trends?

- A. Health care costs
- B. The looming, and current, shortage of skilled professionals
- C. The retirement of the Baby Boomers
- D. The lack of soft skills by new hires

10. Which of the following does the author suggest firms do to combat the potential losses associated with the retirement of the Baby Boomers?

- A. Lower mandatory retirement ages
- B. Take steps to attract younger team members into an ownership track with the firm
- C. Reduce the amount of time the firm spends on knowledge transfer
- D. Adjust work expectations for younger partners to make public accounting more attractive to this age group

New iOS 7 to offer plenty for iPhone users

11. The iOS 7 can be activated from any app and can give quick access to:

- A. Wi-Fi
- B. Bluetooth
- C. Calculator
- D. All of the above

12. Shared Links allows users to see links posted from what social media website?

- A. Twitter
- B. Facebook
- C. Tumblr
- D. Myspace

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CPA Voice (ISSN 0749-8284) is published monthly May, June, July, August, September, October, November and December with two combined issues in January/February and March/April. It is published by The Ohio Society of CPAs, 535 Metro Place South, P.O. Box 1810, Dublin, OH 43017, 614.764.2727, or 800.686.2727, fax 614.764.5880. Subscription price for non-members: \$39.95.

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