

December 2013

# CPA VOICE

The Ohio Society of Certified Public Accountants

## OHIO'S ELECTION FUTURE

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VOTE

535 Metro Place South  
Dublin, Ohio 43017

THE OHIO SOCIETY OF CPAs



# Earning your continued trust



We'll soon ring in a new year and another tax season. It's the time when our phones get a lot quieter at The Ohio Society as more than half of you move your primary focus to 2013 reporting and tax filing.

This winter, the Society's staff and Executive Board will be focused on strategic planning and moving some innovative programs from idea to execution for 2014. We'll also continue to filter and deliver the news you need to stay on top of changes in the profession, and actively monitor activities at the Ohio Statehouse.

Now that I'm nearing the end of my first year as your President & CEO, I wanted to share some of the key accomplishments OSCPA achieved on your behalf in 2013.

## Municipal tax reform

OSCPA scored a big win last month along with our Municipal Tax Reform Coalition partners when the Ohio House passed Sub HB 5. This issue has been OSCPA's top legislative priority this legislative session and heralds significant improvements to our state's local income tax system and business climate. The bill has moved on to the Senate and we will work just as hard to drive the initiative to a successful vote next year.

## Sales tax on services

OSCPA's influence helped defeat

A red vertical advertisement. At the top, a white speech bubble contains the text "Stay one step ahead of HEALTH CARE REFORM." in red. Below this, the text "TRUST OSWALD TO LEAD THE WAY FORWARD." is written in white. Underneath, it says "Visit [www.oswaldcompanies.com/hcroscpa](http://www.oswaldcompanies.com/hcroscpa) or call 888.767.4548". At the bottom, the "oswald" logo is displayed with the tagline "Focus Forward" and a list of services: "Property & Casualty | Group Benefits | Life Insurance | Retirement Plan Services".

Stay one step ahead of  
**HEALTH CARE REFORM.**

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Property & Casualty | Group Benefits | Life Insurance | Retirement Plan Services

A blue and orange vertical advertisement. At the top, it says "STEVE MARTIN'S MDS CPA REVIEW". A diagonal orange banner reads "EFFICIENT. EFFECTIVE." Below this, the text "YOUR NEXT STEP TO SUCCESS..." is written in orange. A photo of a smiling man, Chris Manning, is shown. Below the photo, his name and title "Chris Manning, CPA MDS Allstar" are written. At the bottom, the website "WWW.MDSCPAAREVIEW.COM" is listed next to a QR code.

STEVE MARTIN'S  
**MDS**  
CPA REVIEW

EFFICIENT. EFFECTIVE.

YOUR NEXT  
STEP TO  
SUCCESS...

Chris Manning, CPA  
MDS Allstar

[WWW.MDSCPAAREVIEW.COM](http://WWW.MDSCPAAREVIEW.COM)

the expanded sales tax on services unveiled as part of Ohio's biennial budget proposal. CPAs provided credible testimony and met with legislators to outline the unintended consequences of the tax plan that would affect all Ohioans. The plan was abandoned shortly thereafter and OSCPA has continued to help explore alternative solutions to Ohio's fiscal challenges.

### A better shopping experience

Last spring, we unveiled a new, mobile-friendly OSCPA Store. It was designed with an intuitive search function to make it easier and faster to find the specific CPE and knowledge you need. There's a link to a new member transcript feature that provides convenient tracking and reporting of CPE.

### More education and convenience

We continued to evolve our education resources, offering an expanded list of seminars both live and via webcast. We also honored feedback we received from members asking for CPE in shorter, more targeted increments – timely knowledge you can absorb quickly and immediately apply. OSCPA On-Demand launched in the fall and offers up to a dozen new, one and two-hour courses every month in tax, A&A, technology and leadership/professional development. These are timely topics presented by industry experts so that you can build your core knowledge and do it when it's most convenient for you.

### Connecting CPAs in meaningful ways

Many members value networking for personal and professional reasons. But with more than 21,000 members, connecting can be hard. That's why we've created opportunities for smaller communities of CPAs to form around shared interests. The new Women's

Initiatives group is a great example. Formed earlier this year, the committee held networking events at the spring Professional Issues Updates and during the four accounting shows. These were well attended with CPAs swapping business cards and ideas ranging from mentoring to leadership coaching and work and family issues. The Young CPA group also led the Society's first CPA Day of Service in June, forming teams that volunteered at various United Way agencies across the state. Discussions are in the works for a possible Women's and Leadership conference next year and other communities geared to niche interest or practice areas that can help you meet more like-minded CPAs in Ohio.

These are just a few of the ways your Society staff worked to provide a more meaningful membership experience for you this year. There's so much more we can do, though, and we need to hear from you on your priorities. In January, we will survey all Ohio CPAs to determine what services and products you most want and need. This will help form the framework for how we evolve as a Society moving forward.

I appreciate the support I've received in my first year. Ohio CPAs have been a welcoming crowd and have only affirmed what I already knew: the Ohio Society is a first-class association. With your input, we will continue to lead in many areas. Thanks for a great 2013 and I look forward to earning your continued business and trust in 2014.



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# Federal and Ohio tax implications of Windsor for same-sex couples

By Kevin V. Simon

In a 5-4 decision, the Supreme Court on June 26 held in *U.S. v. Windsor*<sup>1</sup> that Section 3 of the federal Defense of Marriage Act<sup>2</sup> (DOMA) is unconstitutional under the equal protection clause of the Fifth Amendment.

Section 3 of DOMA defined “marriage” as a legal union between one man and one woman as husband and wife and “spouse” as a person of the opposite sex who is a husband or wife. However, the court emphasized that its holding is confined to marriages legally recognized by a state and does not apply to civil unions or legal domestic partnerships. Further, the court did not address the constitutionality of Section 2 of DOMA, which allows a state that does not recognize same-sex marriages to disregard a lawful same-sex marriage performed in another state that does recognize such marriages. *Windsor* will produce significant changes in the federal taxation of same-sex couples. Its effect in Ohio is less certain.

## Federal tax implications

In response to *Windsor*, the IRS on Aug. 29 issued Revenue Ruling 2013-17<sup>3</sup>. The ruling provides that legally married same-sex couples, regardless of where they live, will be treated as married for all federal tax purposes under the Internal Revenue Code. The issue is important, as the Government Accountability Office reports that there are almost 200 provisions of the code that are effected by marital status.

As a result, legally married same-sex spouses now qualify for tax benefits previously available only to opposite-sex spouses. The ruling applies prospectively as of Sept. 16. Based on the ruling, legally married same-sex couples must now file either as married filing jointly or separately.<sup>4</sup> In addition, legally married same-sex couples may choose to file an amended return for a refund claim for tax years that remain open under the statute of limitations (i.e., 2010 and beyond). It must be noted that “married” filing status may be advantageous or detrimental for federal tax purposes, depending on individual facts.

While the ruling is significant and provides needed certainty for same-sex spouses, many questions remain to be addressed, such as whether *Windsor* will be applied retroactively and how employers should administer benefit plans. The ruling provides that the IRS intends to issue further guidance, and an IRS speaker recently indicated that this issue is a priority for the service.<sup>5</sup>

## Windsor in Ohio

Ohio is one of 37 states that do not recognize same-sex marriages.<sup>6</sup> In Ohio, same-sex marriages are prohibited by both statute and constitutional amendment. Because *Windsor* did not address Section 2 of DOMA, Ohio is not required to recognize legally married same-sex spouses for purposes of Ohio tax laws, and, as a result, such spouses do not qualify for tax benefits provided under Ohio law.

However, in *Obergefell v. Kasich*, the Federal District Court for the Southern District of Ohio granted a temporary restraining order in favor of a same-sex couple to force Ohio to recognize their



## TAKEAWAYS

- ▶ The IRS issued a ruling that provides that legally married same-sex couples, regardless of where they live, will be treated as married for all federal tax purposes under the Internal Revenue Code.
- ▶ Many questions remain to be addressed, such as whether the decision will be applied retroactively and how employers should administer benefit plans.
- ▶ The impact of the decision in Ohio remains to be determined, but for now Ohio is not required to recognize legally married same-sex spouses for purposes of Ohio tax laws.
- ▶ Tax advisors should:
  - Talk with their clients to determine if the newly available marital status produces tax savings and refund claims are warranted.
  - Discuss the implications with employers, as benefit plans might need to be revised.

## LEARNING OPPORTUNITIES

### Local Firm Management - Dealing With the IRS and Collections

Jan. 7 | Beachwood | Course #44458

Join your peers in the Cleveland area for this discussion, just in time for tax season. You'll learn about common issues in tax collection and how the IRS handles different types of collections disputes.

### Southwest Ohio Tax Update

Jan. 9 | Fairfield | Course #45485

Make sure you have the latest education and insights to help you tackle challenges in the New Year. This conference features sessions on the latest in tax, A&A, fraud and more. Close to home and featuring recognized experts, the Southwest Ohio Tax Update offers the CPE you need to be successful.

### Repair Regulations

OSCPA On-Demand | Webcast | Course #46115

Join Lynn Nichols, CPA for this on-demand course that will get you up to speed on the IRS' newly released Final Regulations. These regulations will require a reappraisal of the way in which taxpayers claim repair costs. Make sure you are informed of the changes to better serve your clients.

*Kevin Simon is a member of Dinsmore & Shohl's Corporate Department practicing out of the firm's Dayton office. Kevin focuses his practice in the areas of tax planning for companies and individuals, structuring business transactions, and general corporate and business law.*

Because Windsor did not address Section 2 of DOMA, Ohio is not required to recognize legally married same-sex spouses for purposes of Ohio tax laws, and, as a result, such spouses do not qualify for tax benefits provided under Ohio law.



marriage that was lawfully performed in Maryland for purposes of the issuance of a death certificate for the spouse who was gravely ill. The impact of this decision is unclear for two reasons: First, as noted above, the court's decision extended *Windsor* beyond the holding of the Supreme Court, which declined to address this issue. Second, the court's decision granted injunctive relief to the spouses rather than reach a decision on the merits. Whether *Obergefell* is a proper extension of *Windsor* will likely be decided through future litigation.

### Conclusion

The *Windsor* decision provides significant new federal tax opportunities to legally married same-sex couples. Tax advisors should review these opportunities with their clients to determine if the newly available marital status produces tax savings and refund claims are warranted. Tax advisors should likewise discuss the implications of *Windsor* with employers, as benefit plans might need to be revised. However, the impact of *Windsor* in Ohio remains to be determined as the issue is further analyzed administratively and by the courts.

<sup>1</sup> 133 S. Ct. 2675 (2013).

<sup>2</sup> 1 U.S.C. section 7 and 28 U.S.C. section 1738C.

<sup>3</sup> 2013-38 IRB 201.

<sup>4</sup> These couples must also file as married for an original return for the 2012 tax year filed after September 16, 2013.

<sup>5</sup> Comments of Service Agent Erick Slack before District of Columbia Bar Taxation Section's Employee Benefits Committee, October 24, 2013.

<sup>6</sup> Same-sex marriages are legally permitted in California, Connecticut, Delaware, Iowa, Maine, Maryland, Massachusetts, Minnesota, New Hampshire, New York, Rhode Island, Vermont, and Washington. In addition, same-sex marriages are legally permitted in the District of Columbia.



## Tax resources to help CPAs

The one-stop shop for the latest tax resources and a valuable benefit of your OSCPA membership is just a click away at [ohioscpa.com](http://ohioscpa.com). Find and retrieve all IRS and Ohio Department of Taxation forms and publications in one convenient location.

### TAX NEWS NEVER STOPS.

OSCPA's Tax News and Resources online page is continually updated to bring you the latest information 24/7, 365 days a year.

- Latest tax news
- Links to tax forms
- Resources and practice aids
- A list of CPE courses
- Volunteer opportunities
- Ways to get tax advice



**BOOKMARK**  
[www.ohioscpa.com/tax](http://www.ohioscpa.com/tax)

*Your home base for  
local, state and federal  
tax resources.*

Visit [www.ohioscpa.com/tax](http://www.ohioscpa.com/tax) for everything you need during tax season and all year long.



Tax law and knowledge requirements can be overwhelming. From the burdensome workload to the competition of storefront tax preparation businesses, developing and maintaining a successful tax practice can be incredibly challenging.

## OSCPA's Tax Resource Center

Keep up to speed on everything tax related. As a service to members, this online resource features breaking tax news and links to forms, applications and more for local, state and federal taxes. Go to [www.ohioscpa.com/cpaimagekit](http://www.ohioscpa.com/cpaimagekit).

## Free federal tax podcast

Get up-to-date news on federal tax legislation, court cases and other developments with weekly Federal Tax Update podcasts hosted by tax expert E. Lynn Nichols, CPA, and experts from Nichols Patrick CPE.

The podcasts are available when it's convenient for you on OSCPAs website.

Podcasts are updated weekly and also available to download on iTunes by searching for "The Ohio Society of CPAs."

## OSCPA's Special Interest Tax Section

CPAs serving all sectors participate regularly in the Special Interest Tax Section. Ask questions or review knowledgeable advice on new issues or laws. Section members also receive a weekly digest of the latest tax news. Now on LinkedIn, OSCPAs has created private groups for Tax and all other Special Interest Sections – providing a more dynamic and interactive experience. You can easily engage, share and consume information, ask questions and get answers in real time.

Sign up now at [www.ohioscpa.com/taxsection](http://www.ohioscpa.com/taxsection).

## CPA Image Kit

Learning how to market your firm is an important component to growing your business. In today's competitive environment, CPAs need a proactive strategy to build their practices and promote the many services they provide.

OSCPAs has developed a simple-to-use guide that is organized around

basic marketing strategies such as advertising, public relations and community outreach. It includes free brochures, templates and web banners you can personalize just by adding your logo.

The toolkit helps you:

- Create a strategy for marketing your CPA firm to current and potential clients
- Educate the business community and general public about CPA services
- Build your reputation as a financial expert in your community.

Download the CPA Image Kit today at [www.ohioscpa.com/cpaimagekit](http://www.ohioscpa.com/cpaimagekit).

## Other resources

OSCPAs also offers talking points CPAs can use to help educate taxpayers about why CPAs are uniquely qualified compared to other tax return preparers who do not hold the CPA designation. All of these resources are just part of the benefits available to you as a member of The Ohio Society of CPAs. Got questions? Call *CPAnswers*, the member service center, at 888.959.1212.

# CPA Image Kit

## A Guide to Marketing Your Practice

Promote yourself as a go-to tax and financial planning expert and build your business with OSCPAs CPA Image Kit.

Exclusively for OSCPAs members, the FREE kit contains materials to promote the benefits of working with a CPA and highlights your menu of services.

You'll find:

- Marketing plans to build your strategy
- Newsletters and brochures to jump start tax season client communications
- Social media and community outreach tips
- Advertisements that you can easily personalize



**Download it today!**

[www.ohioscpa.com/cpaimagekit](http://www.ohioscpa.com/cpaimagekit)



## Beware of third party verification requests

By Laura Hay, CPA, CAE

CPAs need to be cautious about lender and regulator requests for certain guarantees, often referred to as “comfort letters,” notes Sue Coffey, CPA, AICPA Senior Vice President – Public Practice and Global Alliances. Two blogs from Coffey on *AICPA Insights* have raised a number of questions from OSCP members who are reporting an increase in requests for CPAs to assume this responsibility.

Third party verification requests occur when a bank, government authority or other regulator asks a CPA to provide a letter stating that information provided by the CPA’s client is correct. The third party might ask the CPA to provide specific language that could be a violation of professional standards.

Frequently occurring with loan requests, examples of the types of information requested may include:

- Salary of a self-employed client.
- Business ownership.
- Queries about profitability or continued viability of a business.

When providing written assurances, CPAs need to be wary of unintended attestations, ensuring that they have complied with AICPA Statements on Standards for Attestation Services (SSAEs). Providing attestations without following the attestation standards would be a violation of professional standards.

“I frequently receive this question from my peer review clients,” said Glenn Roberts, CPA. “When they ask ‘Can I do this?’ eight times out of 10 the answer is ‘no’. Most concerning are requests for the CPA to provide prospective information:

- Will the client be in business for the life of the loan?
- Will the client continue to be employed for the life of the loan?
- Will self-employment earnings continue at the same level?
- Will the business generate enough profits to cover the loan?
- Will the client maintain the ratios in the loan covenants?

One of the worst I’ve seen was regarding a client moving their business to another state. The lender requested written assurance that the move ‘would not adversely affect their business’. These types of questions don’t meet the requirements for any type of service that CPAs can provide, and the CPA should also be concerned about professional liability if the lender would rely upon this information.”

“Responding to a request regarding the client’s solvency is specifically a violation of professional standards,” said Mike Arend, CPA. “CPAs can’t make predictions or guarantees under professional standards. When I receive one of these requests, I respond with only a few specific, factual, historical statements that I can support:

- This entity has been my client for X years.
- I provide these professional services for the client.
- I provide a copy of the client’s tax return with the client’s permission.

Make sure you’re attuned to the requirements for client confidentiality and check with your professional liability insurance carrier regarding what’s permitted.”



### TAKEAWAYS

- ▶ CPAs must be cautious about comfort letters.
- ▶ When providing written assurances, CPAs need to be wary of unintended attestations.
- ▶ Under professional standards, CPAs can’t make predictions or guarantees, or respond to requests about client solvency.
- ▶ Keep client confidentiality in mind and check with your professional liability insurance carrier about what is permitted.
- ▶ Stick to known facts and do not cave to pressure to provide guarantees or opinions.

## LEARNING OPPORTUNITIES

### Cleveland Outlying Area East - A&A Update

Jan. 2 | Cleveland | Course #44457  
Ring in the New Year with this timely A&A update. You'll discuss common issues and developments taking place that could significantly impact the way you deal with A&A issues.

### Southwest Ohio Tax Update

Jan. 9 | Fairfield | Course #45485  
Make sure you have the latest education and insights to help you tackle challenges in the New Year. This conference features sessions on the latest in tax, A&A, fraud and more. Close to home and featuring recognized experts, the Southwest Ohio Tax Update offers the CPE you need to be successful.

### The Eight Hour MBA (Pt. 1) Webcast

Jan. 16 | Webcast | Course #46162  
If you don't have the time to complete an MBA degree but still want to understand the key concepts then this course is for you. This course is ideal for managers, professionals, and business owners who want to develop a broad perspective to deal more effectively in today's rapidly changing and increasingly complex business environment. Participants will gain a high-level but thorough understanding of the key elements and components of a traditional MBA as well as real world business tactics that aren't taught in any classroom.



"In some cases, this can be an opportunity," Roberts said. "The CPA may be able to suggest a type of agreed-upon procedures engagement or a financial forecast or projection under professional standards that will meet the lender's needs. This can provide the lender the information they need without providing any assurance on that information.

"Beware of these rationales:

- The previous CPA did it.
- My client wants me to sign it.
- They won't get the loan without it.
- The client's attorney says I should be able to do it.

"When the CPA is asked to step into the role of making the assessment that's needed for the lending decision, that's when you know it's a problem," Roberts said.

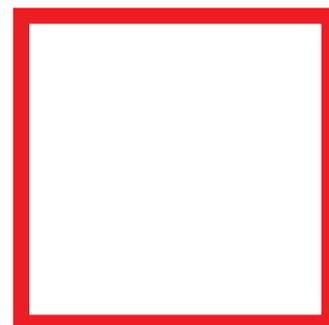
"CPAs are motivated by wanting to help the client," Arend said. "While professional standards don't prohibit a CPA from providing verification letters, you need to take care to stick to known facts and not give in to pressure to provide any kind of guarantees or opinion."

### Additional information

AICPA has several resources for CPAs looking for additional information to assist in responding to a third party verification request:

- Interpretation No. 2, "Responding to Requests for Reports on Matters Relating to Solvency," of AT Section 101, *Attest Engagements (AICPA Professional Standards, AT Section 9101, par. 23-33)*
- TIS Section 9110.19, "Lender Comfort Letters," (*AICPA Technical Practice Aids*)
- Financial Reporting Center, [www.aicpa.org](http://www.aicpa.org), "Third Party Verification" page
- "Third Party Verification Letters" on the AICPA member insurance program site, provides information from CNA, including a sample response letter to a requesting lender or broker.
- From *AICPA Insights*:  
"That 'Comfort Letter' Request May Really Be a Third-Party Verification"
- "The Dangers of Providing Client Comfort Letters"

Laura Hay, CPA, CAE is COO of The Ohio Society of CPAs and staff liaison to the Accounting & Auditing Committee. She can be reached at [lhay@ohio-cpa.com](mailto:lhay@ohio-cpa.com) or 800.686.2727, ext. 322.



## Intended and unintended positive outcomes from the Affordable Care Act



By Rob Peirce

Unless you have been living under a rock, you have heard of the concerns surrounding the health care exchanges and [www.healthcare.gov](http://www.healthcare.gov).

The news has covered policy cancellations affecting as many as 10 million Americans who are losing their policies because they are non-compliant with the Affordable Care Act (ACA) standards. Rate increases abound as a result of the ACA. This is primarily because of the differences in current rating methodology compared

to the new community rating approach. Community rating only looks at four factors to determine pricing:

- Geographic location
- Age
- Tobacco status
- Coverage tier

Many small businesses will see increases in the range of 25-55%. Community ratings plus other mandates

have increased cost so much that many employers are left with no choice but to pass the increase on to their employees.

With all of the negative press about the ACA, the question is often – and appropriately – asked “What good has come from this legislation; is anyone benefitting from this reform?” The answer is a resounding yes. Let’s take a deeper look.



### TAKEAWAYS

- ▶ The Affordable Care Act:
  - Will assure health care coverage for pre-existing conditions
  - Assures coverage of 10 essential health benefits, including maternity care
  - Eliminates annual and lifetime insurance plan maximums
  - Emphasizes accountable care and patient-centered medical home care
  - Pushes in net-work spending to reduce costs.

### Health care coverage for pre-existing conditions

First and foremost, people who were unable to purchase health insurance because of their medical conditions are now able to do so. Many states had archaic rules and stringent underwriting

### Southwest Ohio Tax Update

Jan. 9 | Fairfield | Course #45485

An update just in time for tax season.

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that prohibited even those willing to pay astronomical premiums from obtaining coverage. This was an issue in the health care system that impacted as many as nine million Americans. This change was long overdue.

### Essential health benefits

Essential health benefits are 10 broad categories of care that all individual and small business health insurance policies must cover. Essential health benefits are:

- Outpatient care
- Emergency room services
- Inpatient care
- Maternity and newborn care
- Prescription drug coverage
- Mental and substance abuse
- Rehabilitative and habilitative services
- Laboratory services
- Preventive care
- Pediatric services

A particularly positive note here is maternity care: most individual policies did not cover maternity care unless you purchased a maternity rider. The maternity rider couldn't be purchased if someone was already pregnant, nor could they become pregnant within 274 days of purchase. To add insult to injury, the maternity rider costs on average \$300 - \$400 more than the insurance premium.

### Elimination of annual and lifetime plan maximums

The elimination of annual and lifetime plan maximums, a patient protection provision, hasn't had a significant impact on insurance premiums and prevents care from being capped for those who are faced with what are always rare and extreme needs for care. Arguably, the people who are the most in need of the insurance system before 2014 could find themselves in a situation where the insurance just stopped.

### Accountable care organizations and patient-centered medical home care

Accountable care organizations and patient-centered medical home care models developed as a response to the increasing insurance costs and the ACA. Both models emphasize an outcomes-based approach, evidence-based medicine coupled with decision support tools and enhanced engagement with a focus on deeper relationships with a primary care physician. The goal of these models is to help those insured get out of the health care system and off the health care hamster wheel.

### Narrowed in-network solutions

Narrowing in-network insurance solutions can drive savings to consumers. To offer more affordable insurance solutions to consumers, insurance carriers narrowed in-network access to one of the major hospital systems in their area. By steering members to one in-network health care system, they were willing to pass on deeper discounts for services. These discounts are passed on to consumers via lower premiums. The key to taking advantage of this new solution is ensuring your physicians are in network.

The ACA forced many in the health insurance business off their laurels. The result is that we now have new and innovative insurance products. For example, insurance carriers in Ohio will be releasing new self-insurance solutions targeting businesses that were previously thought to be too small to self-insure. In addition, new carriers are entering the market providing more consumer choices for Ohioans. Private insurance exchanges that allow employers to implement a defined contribution approach to more effectively manage their medical spending are now on the market. The technology platforms

that support the private insurance exchanges make policy comparison easier than ever before.

The ACA will continue to inspire new innovations in the marketplace for years to come. It will be critical for those responsible for their organization's benefit spending to conduct a comprehensive due diligence process before renewal to properly evaluate the alternatives on the market.

As more of the kinks get worked out with the ACA, it will continue to garner bad press. Since good news is often not considered 'news' it's easy for the positive outcomes of the ACA to get lost in the shuffle.

For more information on how the ACA will impact your business or if you have questions about taking advantage of the solutions detailed in this article visit OSCPA's health care reform page at [www.ohioscpa.com/healthcarereform](http://www.ohioscpa.com/healthcarereform).

*Rob Peirce joined Oswald Companies in 2005 as a benefits and risk management consultant. His primary focus is working with middle management to enhance strategic processes and employee engagement, while reducing the costs of health insurance and benefit deliverables. He is also the liaison to Oswald Specialty Life practice where he focuses on policy and trust audits to assure adequacy, efficiency, and appropriateness of life insurance policies. As the Oswald Specialty Life high risk and athlete disability product specialist, Peirce successfully places lump sum payouts and hard-to-place risks because of occupation.*

## Don't neglect the psychology of transitioning a business or career

By Cindy M. Kula, CPA/PFS, CFP®,  
tax director, Walthall, Drake & Wallace  
LLP CPAs

Each age, it is found, must  
write its own books; or  
rather, each generation  
for the next succeeding.

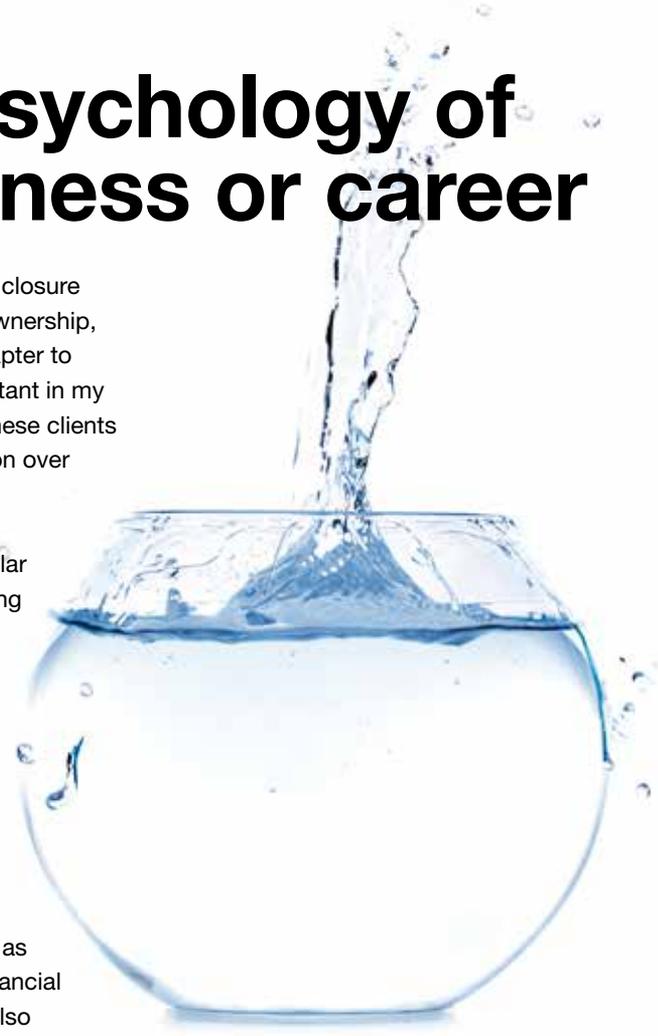
~Ralph Waldo Emerson

This will not be your typical accounting journal article. It will not be technical, nor will it give you detailed steps on how to accomplish transitioning your business. But I hope it will provide you with some food for thought. After 38 years of practice, many of my long-time clients are closing one chapter of their lives and opening a new one. (Some are having an easier time than others.) All the years I spent with these clients encouraging a review of their buy-sell agreement – or suggesting that they create one – now make sense to them. Other subgroups of

clients are still trying to bring closure to this chapter of business ownership, or are ready to close that chapter to pursue new interests. A constant in my conversations with each of these clients is their feeling of apprehension over what the future may bring.

I actually find myself in a similar position as I begin transitioning my clients to new staff members. What will I do? Am I phasing myself out of my career? Do I have another plan? It now becomes a reality check!

As I approach retirement planning with my clients, I try to make them aware as early as possible that although the financial aspect is critical, they must also be prepared for it mentally and emotionally. Pursuing interests outside work and family during their 40s and 50s is an important aspect of retirement planning. I know that PTA and sports were an important part of



our family life, but eventually my children graduated from high school, headed off to college and moved away – now what?

Some transitions of businesses and careers just happen seamlessly – lucky for those people! Others transition slowly, and not so easily. Oftentimes it takes determination and patience just to make sure your life investments transfer intact. While I hear business associates say they wish it was easier to hand over the reins to the next generation, it is difficult to fight the feeling that “my clients are accustomed to me doing things my way.” But combining pride with fear will stop progress. Clients and customers might actually prefer a new



### TAKEAWAYS

- ▶ Whether you're looking to buy or sell a business, retire or just pursue a new interest, one constant is apprehension over what the future may bring.
- ▶ Being prepared mentally and emotionally is as important as financial considerations.
- ▶ Keep in mind the other people who are experiencing change as a result of your move.
- ▶ Among the benefits of being a well-rounded person with an identity outside the workplace is it provides a sense of stability during times of professional change.
- ▶ Take as much time as you can to explore your options, and possibly make the transition enjoyable.



consumed by what I am doing that made me successful, but now what? I have experienced identity crises at every step of my adult life. First I was my mom's and dad's *daughter*. Then I was my sons' mom. I was only able to be me with my clients or at the office. Over the past four decades, my career has molded me into the person I am. Perhaps we – as transitioning professionals and business owners – don't want to discover who we really are without our careers or businesses.

the two-week period. This was very methodical and worked for them and ultimately they found their winter home. The lesson it taught was to explore options and make sure you give yourself time. This time for exploring provides a subtle transition, and a passion develops to support that decision. It is important to take this time and discover what helps us enjoy life to the fullest. We earned the transition into retirement, and we need to look forward to it and make it as seamless as possible.



I think transitioning a family-owned business to another family member, as opposed to an outsider, is probably the most difficult scenario. What we would intend as information for guidance might be perceived as “running the show.” The only recommendation is to trust that your guidance was heeded and that your family member learned by the example you set. That's not an easy task! It is easier to tell your family member bluntly that there is a better way than telling an outsider. Make certain that you both understand each other. You might have to bite your tongue more than once. Just remember, it is important to learn from our mistakes and, through problem-solving, to work together to find a better way.

Now, am I ready at the age of 60 to practice what I preach? My dad took five years to become completely content with his plans. So, following his example, it is time for me to begin the thought process. I know I do not want to overstay my career. History has shown that people who do often create their own demise. (If Joe Paterno retired at age 65, might his statue still be standing on the campus at Penn State?)

way of doing things even if we don't want to admit it. Remember, our clients and customers are also transitioning to the next generation. This is the primary reason we need to find activities to replace our work time. We are good at what we do, which is exactly why we have been doing it so long. Now is the time for us to reap the benefits and let the next generation make their mark. For continuity, we hope they do it as well, if not better, by building on what we created. We want them to be successful, don't we?

Are you at a point of finding a life after a career or as a business owner? Closing a chapter on one's career or business is a bittersweet moment. There is one side that makes us feel like we are giving up our “identity”, but then there is the other side that gives us more freedom to do what we have always longed to do. The unknown is scary and uncomfortable. In our careers we are in our elements, and we feel invincible and needed in the office setting. When we were younger we were encouraged every step of the way. In some respect, retirement is very much the same. We just need to be encouraged to explore our options, plan accordingly and seize the moment!

An additional experience that some might encounter is fear of an *identity crisis*. Who am I outside of my business or career? My whole life has been

My dad had a small business and of all the people I knew, I thought he would have a difficult time retiring. He proved me wrong. Five years before retirement, he explored what made my mom and him happy. They decided to spend two weeks during winters in Florida. Now, where to settle in Florida? Each year they tried a different location for

*Cindy M. Kula, CPA/PFS, CFP®, is tax director with Walthall, Drake & Wallace LLP CPAs in Cleveland. She can be reached at C.Kula@walthall.com.*

## Political pro reads district lines, money and more to tell the future

By Neil Clark

Some 16 years ago, I wrote and delivered a speech on campaigns and elections. As part of that process, I wrote on a card what I considered to be the eight most important variables that determine whether a candidate can win an election. This little card has proved to be invaluable over the years and I refer to it each election season.

I cut my teeth in campaigns working alongside seasoned pros such as former Senate leaders Paul Gillmor, Tom Van Meter and Jim Tilling. It was Senator Stanley Aronoff who lectured me on the importance of the critical “Big Three”: money, issues and the candidate.

To that, I have added lines and organization. At the top of my card I have these categories arranged by importance:

- Lines – 50%
- Money – 15%
- Issues – 10%
- Candidate – 10%
- Organization – 5%

### Lines

Redistricting of Ohio’s 99 House districts and 33 Senate districts is carried out every 10 years by the five members of the Apportionment Board. This was most recently completed in late 2011, and applied to the races beginning in 2012.

Before the “one person, one vote” decision was handed down by the U.S. Supreme Court, Ohio elected two members from each of its 88 counties. Because of this, Ohio developed a strong, rural “Corn Stalk Brigade” philosophy, which dominated the political agenda.

Since the new legislative districts were drawn in 2011, the vast majority of the seats in the Ohio General Assembly are classified as safe seats. In my view, a safe seat is a district with an index that supports a political party 53.1% or better – meaning about 80 of the 99 members in the Ohio House are from districts that have moderate to strong leanings toward their political party.

Of the current 60 Republicans that comprise the Ohio House Majority Caucus, seven are “termed out” in 2014, with one of those districts at risk. There are 14 other Republicans from marginal districts (with indexes less than 53%) but only six are considered at-risk. These numbers mean that the House Republicans face a total of seven competitive races in 2014.

Of the 39 Democrats that make up the Ohio House Minority Caucus, 10 are “termed out,” with only one at-risk. In addition, the Democrats have five marginal seats with only one at risk district. That’s right: only two of these districts are considered at-risk.

Ultimately, the most likely outcome of the 2014 election for the Ohio House is that the Republicans will retain the current 60-member majority.

In the Ohio Senate, 79%, or 26 of the 33 seats are considered safe. Only two incumbents hold seats that could flip based on the indexes, but that will be decided in the 2014 election. That means five seats fall into the category of 53% or less partisan index. The Ohio Senate Republicans have two seats in serious risk and one at marginal risk, while the Senate Democrats have none. At this date, don’t be surprised if the Senate R’s lose at least one seat.

As I have illustrated, the lines generally determine winners. But there are exceptions, an impressive one being the storied career of State Sen. Scott Oelslager, R-North Canton. The Senator, now “Dean of The Senate,” was first appointed in 1985 and hasn’t lost an election since, despite having districts with Republican indexes ranging from as low as 47% to a high of only 52% for the last three decades.

So, lines get top billing with a few exceptions.

### Money

When a candidate has a large balance of money in the bank, they have what I refer to as a “Big-Balance Attitude”—a perspective that empowers the candidate and enables the campaign committee to effectively build positive

messaging. This, in turn, will foster the candidate's positive attributes while also developing name I.D. amongst voters. Positive messaging inoculates the candidate against the negative campaign that is inevitably launched by the opposition's camp.

Another value in having adequate funding is the protection it provides a candidate from unanswered negative attacks raised by their opponent's ads.

Lastly – and likely most important –it prompts the candidate to engage in campaigns targeting opponents that are considered vulnerable because they are in marginal districts. It is blowing the bugle and charging ahead, knowing you have all the ammunition and power to defeat your opposition.

Don't doubt the importance of money in the elections process. To illustrate my point, I literally receive 20 to 30 requests a week for political contributions. And any lobbyist will tell you that the calls certainly don't stop after the election. I get more calls for money than for substantive political or policy purposes, and it is not the caucuses raising funds for individual, future leadership races but for looming TV, radio, polling, and direct mail needs. Why? Because, sadly, adequate funding can cure most election problems.

### Issues

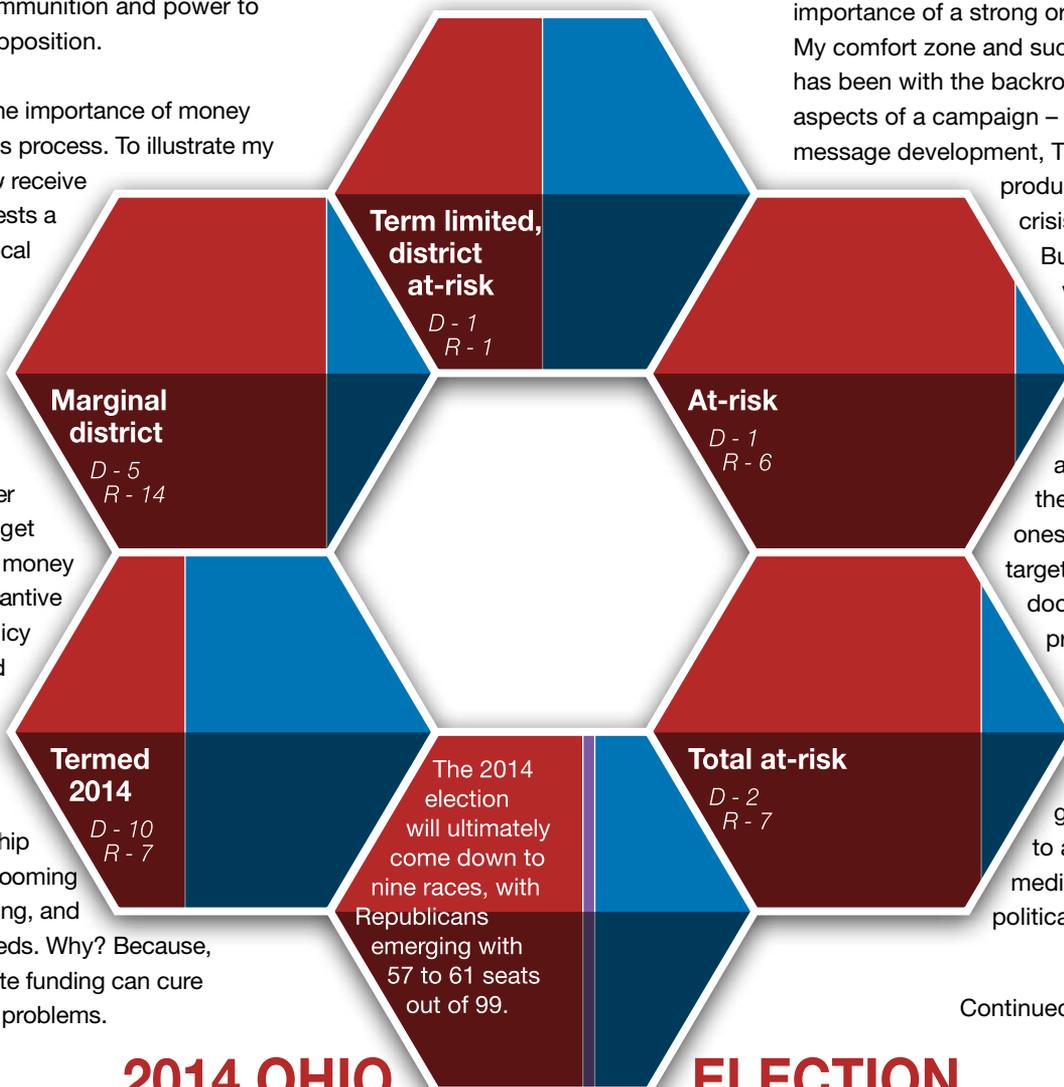
When the lines are right, and a caucus has money in the bank, the legislative issues or the Governor's agenda will draw a candidate into a campaign. One only need recall the Celeste 90% income tax increase, or the 2006 "Culture of Corruption" sentiment that led to the Democrats' landslide victory and, subsequently, the Republicans recapturing the Ohio House in 2010 based on strong voter disapproval of President Obama. Over the course of my career, I have found that you don't need a ton of issues to win a race, just three... and I am equally sure that there are enough issues already.

### Candidate

Political consultants get giddy and sassy when the perfect candidate comes their way. The perfect candidate could be a seasoned veteran of politics or even a political unknown. I see value in both types. When I was working in the Ohio Senate, we had a candidate from a marginal district running against a very popular Ohio House member. Our initial baseline poll showed our candidate with 4% name identification. I remember saying that 50% of the polled respondents were lying. In the end, this supposed unknown won 60-40.

### Organization

I continue to be a believer in the importance of a strong organization. My comfort zone and success record has been with the backroom, strategic aspects of a campaign – the polling, message development, TV spot production and crisis management. But the people who do grassroots organization are truly the backbone of a campaign; they are the ones producing a targeted door-to-door list, selecting prime yard sign locations, keeping the phone banks manned and getting bodies to attend those media-critical political rallies.



Continued on page 16 ►

**2014 OHIO**  
SENATE RACES

**ELECTION**  
AT A GLANCE

section editor: Gary Hunt



Neil Clark

It is organization that helped Mitt Romney file petitions in all Ohio counties, while his opponent didn't. It was also grassroots organization that helped Barack Obama beat Romney in Ohio.

The Ohio Senate Republicans had an awesome organization in 1984. By 2006, the Ohio Democratic Party had an enviable grassroots organization. And in 2010, the Ohio House Republicans created an

organization that everyone wanted for Christmas! When a strong, versatile campaign committee is nimble and experienced, it can deploy resources during the critical time needed to achieve victory. Investing in resources to keep up with technology and the times only helps you in the future when times are rough.

My final three most important variables come from polls:

- The governor's popularity – 3%
- A generic ballot – 3%
- Presidential popularity – 4%

I visit RealClearPolitics.com each day to get the most recent polling information on the President's popularity and the generic ballot. On Oct. 15, 2008, Rasmussen polled the generic ballot question, "Are you going to vote Republican or Democrat in the upcoming election?" at +12 Democrat. A few weeks later, the D's won the Ohio House.

Two years later, on Oct. 15, 2010, the generic ballot was +12 R, and sure enough, two weeks later the Ohio House R's took the majority. On Nov. 5, 2012 it was a tie and the House R's picked up one seat. The Democrats have been leading most of this year – currently +6.2D -, but the election is still a year away. When a district falls into the high-risk competitive category of a 53% index or less, the variables regarding money are extremely critical. A candidate rarely bucks the trend, so it's important to pay attention to the numbers. However, beating the lines is not that easy.

Here's how I sum up the statewide and Congressional races for 2014:

- In his bid for reelection, Governor John Kasich will likely face Cuyahoga County Administrator Ed Fitzgerald. Even though Fitzgerald hails from Cuyahoga County, which along with Franklin County provides more than



**CPA**

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It's a reality that candidates in a tough race must have adequate campaign funds on hand to be able to get their message out – and win. Your contribution to Ohio CPA/PAC has more impact than the same contribution to any individual campaign or candidate. Donate today at [www.ohioscpa.com](http://www.ohioscpa.com). For more information, contact OSCPA's governmental affairs team at **800.686.2727** or online at **[www.ohioscpa.com](http://www.ohioscpa.com)**.

- 150,000 surplus D's on Election Day, Governor Kasich will easily be reelected.
- Secretary of State John Husted and Attorney General Mike DeWine will coast to victory.
  - Auditor David Yost and Treasurer Josh Mandel will both have very tight races.
  - Ohioans, like the nation, are disgusted with the U.S. Congress, as shown by the 8.5% Congressional approval rating. But fortunately for your congressman, most voters don't see their own congressman as part of the problem. Given this tendency combined with gerrymandering, I see no changes on the horizon for Ohio's delegation.

*Neil Clark is a political strategist for Grant Street Consultants in Columbus, and is OSCPA's longtime governmental affairs counsel*



# 2014 SOUTHWEST OHIO TAX UPDATE



2014 Southwest Ohio Tax Update  
January 9 | Cincinnati

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## CPAs report modest growth

### CPAs remain relatively optimistic about organizational growth

Certified public accountants who are leading Ohio's top accounting firms and businesses weighed in with their top business challenges in the annual OSCPA Ohio Business Poll.

Topping the list is the changing regulatory environment (35%), the economy (34%) and rising employee and benefit costs (25%). Despite their concerns, more than half of CPAs reported moderate upticks in business and hiring in 2013 compared to last year.

The poll was conducted Oct. 28-Nov. 8 and surveyed more than 3,600 CPAs who are partners in public

accounting firms, Ohio businesses and not-for-profit entities. Nearly 600 CPAs (16.7%) participated in the survey.

The poll focused on the business outlook for Ohio. While CPAs' perspectives on Ohio's business environment remains mostly unchanged from 12 months ago, the Affordable Care Act has thrown a wrench in long-term planning for many organizations.

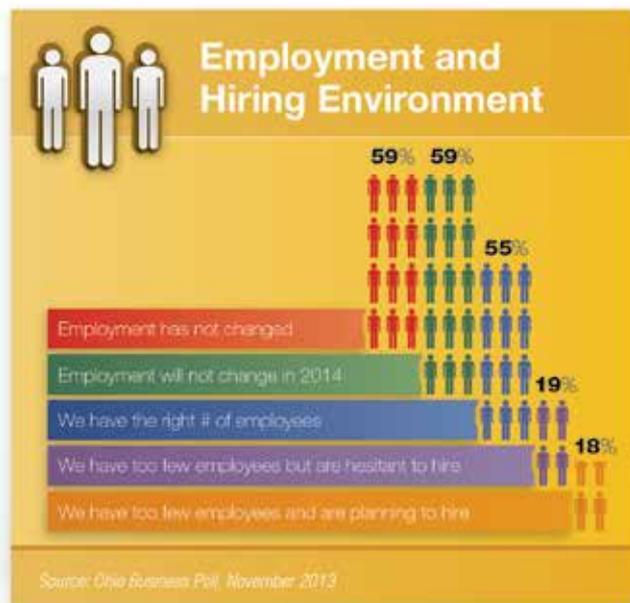
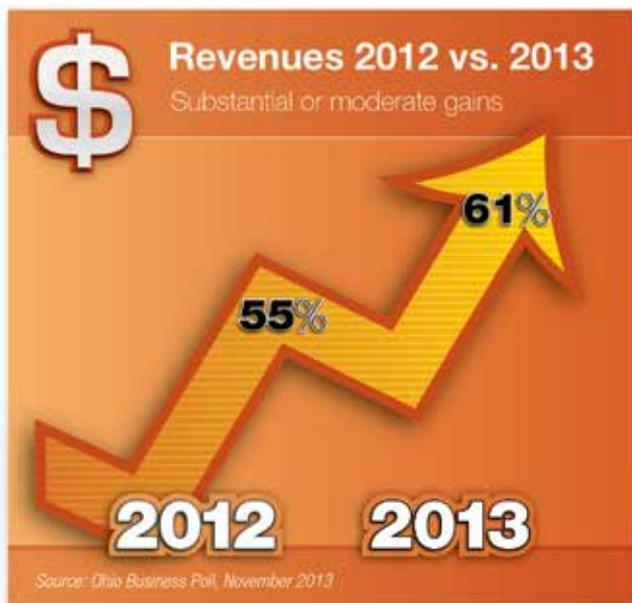
### The Affordable Care Act

Despite the Affordable Care Act being a year closer to implementation, confusion and uncertainty about the law are keeping many organizations in a holding pattern on health care decisions. More organizations are still evaluating all options in 2013 (45%) than in 2012 (38%). Fewer respondents (4%) said their organization would eliminate

health care coverage compared to 8% in 2012. Those planning to continue the same level of coverage remained unchanged (33%) while 15% will offer coverage at reduced benefit levels, up from 12% last year.

"There is a lot of uncertainty and reservations (about the Affordable Care Act)," said Rob Zunich, CPA, ABV, chair of OSCPA's executive board. "Much needs to be worked out, and overall it is being perceived in a negative light by business owners."

The Congressional Budget Office and the U.S. Census reports that costs associated with sustaining the ACA's coverage provisions will increase nine-fold in 2014. Of businesses electing to keep coverage, 39% indicated that premiums increased more than 12%



# in 2013 Ohio Business Poll

in 2013. Only 8% reported no change or a decrease in premium costs.

## Business growth and investment

Overall, business seems to be slightly better in 2013. More than half (61%) of CPAs saw substantial or modest revenue growth in their organizations compared with 55% in 2012. Revenues were flat for 25% of respondents, versus 27% in 2012. CPAs are slightly less optimistic for 2014, with 6% predicting significant revenue gains and 60% expecting moderate increases.

More than half (51%) of respondents expressed concern over the prospects of inflation over the next 12 months, compared to 35% of CPAs who responded to the third quarter AICPA

Despite concerns, more than half of CPAs reported moderate upticks in business and hiring in 2013 compared to last year.

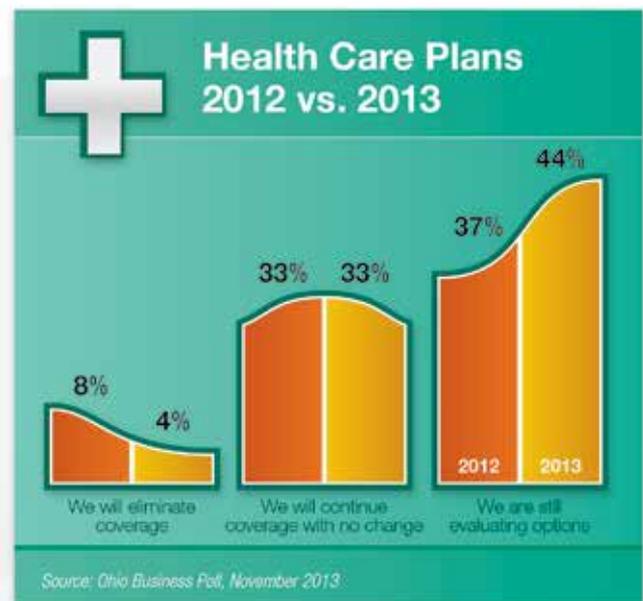
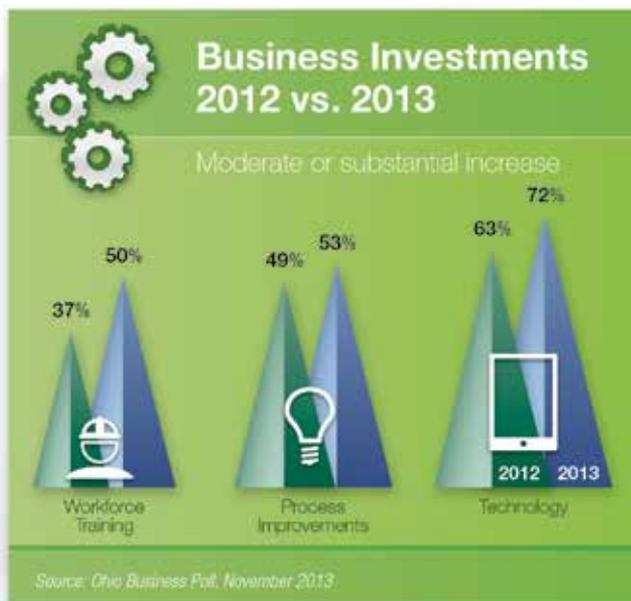
Business and Industry Economic Outlook Survey. A majority of Ohio CPAs (60%) cited labor costs as the biggest inflationary risk factor for their business in 2014.

Technology, process improvements and workforce training were identified for the second year as the top planned areas for substantial or moderate investment. Organizations plan to spend more in 2014 on technology (72%) versus the previous year (63%). Workforce training also saw a significant jump, as 50% plan to invest in 2014 versus 37% in 2013.

“In 2014, CPA firms should look at increasing offerings such as branching out into Affordable Care Act consulting and working with other professionals in this field such as attorneys and insurance agents,” said Joe Popp, J.D., LL.M. of Rea & Associates. “The opportunities to develop consulting relationships and product lines allows you to really differentiate yourself.”

## Hiring plans

Organizations in Ohio hired slightly more employees in 2013, with 32% indicating a substantial or moderate increase this year versus 28% in 2012. Most respondents believe their organization has the appropriate number of employees (55%). Another 37% say they have too few but of those, 18% plan to hire and 19% are hesitant.



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Receive an everyday 15% savings on regular priced merchandise. Plus save 25-30% with special sales during the year!

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Enroll for a Costco Membership and receive a coupon book of more than \$50 in savings. Monthly specials are also available online.

#### Macy's

Macy's offers Society members their Business Smart Savings Pass twice annually, which is free of charge and saves you 15%.

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and education, members save \$200 on the National Social Security Advisor training class and certification.

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## Travel

### Avis

Save up to 25% every time you rent.

# Do you know someone struggling with addiction?



The following is an excerpt from a feature written last year for *CPA Voice* by E. Lynn Nichols, CPA.

“The mental stress and long hours associated with a CPA’s work can be difficult to handle, driving some to seek comfort in mood-altering chemicals. Health.com recently listed accounting as one of the top 10 professions with high rates of addiction.

Throughout my career, I’ve seen lots of folks struggle with alcoholism. I was one of them. I drank for 31 years – the last 17 of which every day, and the last two years, all day. I was never arrested but I was often impaired. Controlling the drinking and avoiding “one-too-many” was the focus of my life. I was a drinker! Wives came and went. Jobs changed every three or four years when the initial resolve and the glow of being the “new man” would fade. I could not keep a commitment. My work was erratic... genius on Tuesday... a missed delivery date on Thursday... and serious conflict with a co-worker on any day.”

That was my life – one disappointment after another. For years, I justified my behavior and its consequences as being misunderstood, unappreciated or unlucky, or any other excuse to avoid looking at myself.

Like me at that time, many CPAs are admitted “problem drinkers” and waste lots of time and energy attempting to control their alcohol consumption. Rarely does “controlled” consumption turn out to be successful, because the first one or two drinks clouds judgment and weakens resolve. Others might not identify alcohol consumption as a problem until the role of alcohol in some embarrassing event is undeniable and painful: loss of a client, conflict with

a valued employee, divorce or front-page coverage of an alcohol-fueled folly. How is it that otherwise bright and perceptive professionals do not recognize the symptoms of alcohol addiction?

To read this feature in full, visit the Concerned CPA’s website at [www.ConcernedCPA.org](http://www.ConcernedCPA.org).

The Ohio Society of CPAs’ Concerned CPA Network is dedicated to informing Ohio CPAs, accounting professionals, students or their peers and family members about alcohol or substance abuse problems, depression or mental illness. This program encourages those affected to seek help and assists in their recovery.

The Concerned CPA Network connects those in need with volunteer CPAs who have personally struggled with the same challenges or who have someone close to them who has. This is a confidential hotline dedicated to addressing substance abuse and related problems. All calls are STRICTLY CONFIDENTIAL and are responded to by people in recovery or with family or friends in recovery programs.

Contact The Ohio Society of CPAs Concerned CPA Network toll-free at 800.939.5906 or visit [www.concernedcpa.org](http://www.concernedcpa.org) for more information.

## OSCPA salutes its lifetime members

By Leah Stephens, OSCPAs  
Communications Intern

Joseph Noga, CPA joined The Ohio Society of CPAs 45 years ago. But he said the time he spent doing things such as working on committees, scouting speakers for monthly programs and editing the Cleveland chapter's monthly publication has passed quickly.

"It seems like yesterday that I passed the CPA Exam and began memberships with both the OSCPAs and AICPA," Noga said. "Earning my CPA designation, plus association with both professional organizations, enhanced my career, allowing me to help many organizations and individuals over the years."

Noga has earned a distinction held by fewer than 900 OSCPAs: that of Lifetime Member. It is presented to CPAs age 70 and older who have been a member for at least 25 consecutive years.

He said the honor is a side benefit of an involved and rewarding career.

"I encourage young CPAs to become members of OSCPAs, and to be active members," Noga said. "It is important to participate, give back and have an active voice."

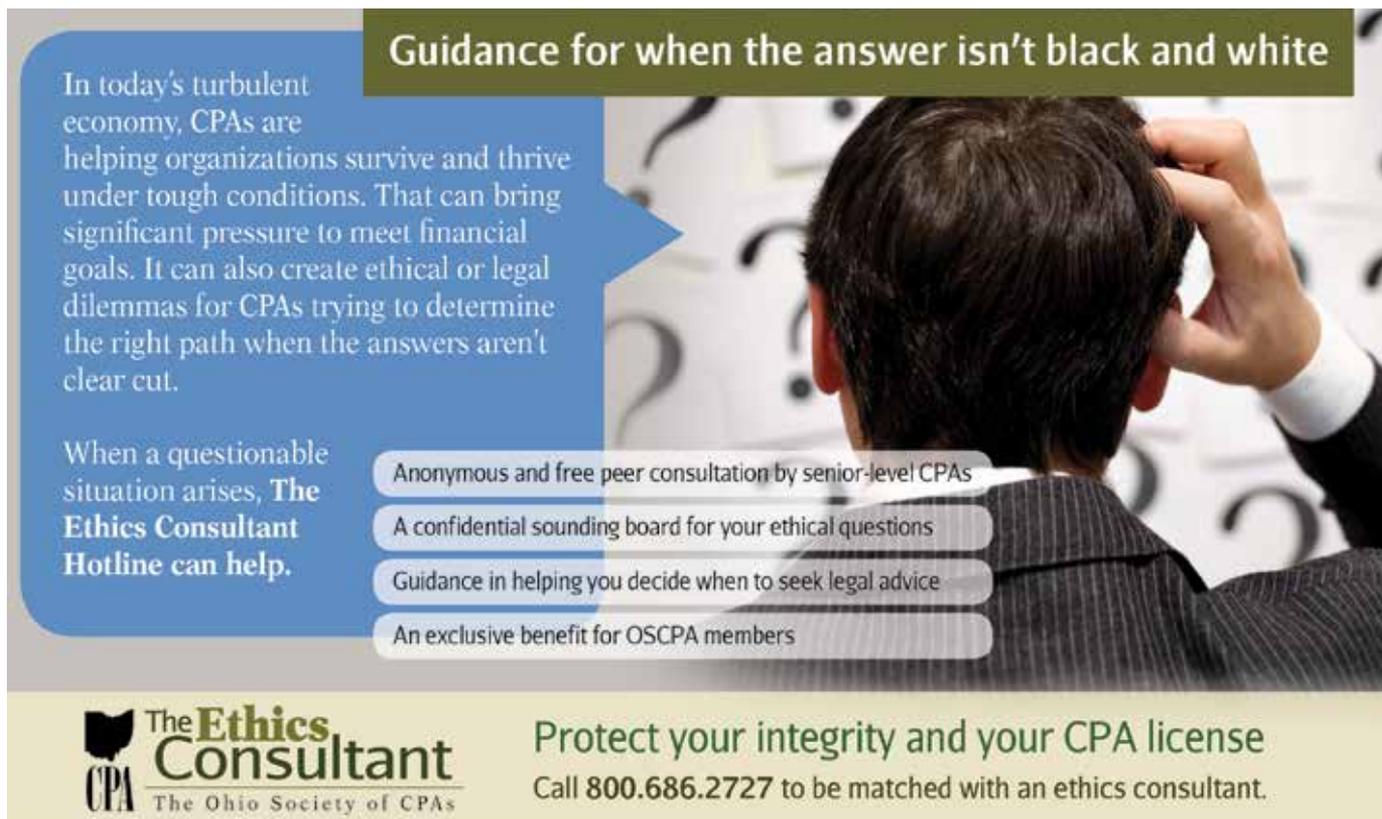
He mentioned the Latin phrase, *nemo dat quod non habet*, meaning no one gives what he does not have.

"If you have knowledge, you must give it," Noga said. "Passing the CPA exam is only the key that opens the door; it's what you do with it afterwards that makes your career."

Now living near Los Angeles, Noga still supports OSCPAs and its members.

"Though I live in California, I am delighted to use the benefits that OSCPAs has to offer, and hopefully my life will extend for several more years so that I can continue to help more folks in the accounting profession."

See a full list of OSCPAs Lifetime Members at <http://bit.ly/1eVHGyM>



**Guidance for when the answer isn't black and white**

In today's turbulent economy, CPAs are helping organizations survive and thrive under tough conditions. That can bring significant pressure to meet financial goals. It can also create ethical or legal dilemmas for CPAs trying to determine the right path when the answers aren't clear cut.

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# Members in Motion



Mollie Longhouse, CPA, MST



Aaron Swiggum, CPA



David Hammack, CPA

## AKRON

**ADAM FINK, CPA** has joined Cohen & Company CPAs as a senior accountant in the tax department.

**SS&G** received the 2013 Cascade Capital Corp. Business Growth Award, which recognizes businesses from a seven-county region that have achieved superior growth in sales or employment over the past five years.

## CINCINNATI

**BARNES DENNIG** and **BERTKE, SPARKS & KREMER** are joining together effective Jan. 1. The companies said the combination will allow Barnes Denning to provide enhanced service to its Kentucky clients and will provide access to broader resources to the clients of Bertke, Sparks & Kremer. The combined firm will operate under the name Barnes Dennig.

## CLEVELAND

**ASHLEY HINKLE** and **PATRICK WALSH** have joined Cohen & Company as staff accountants in the tax department.

**SKODA MINOTTI** has been named a 2013 "All-Star Firm" and an "IPA Fastest Growing firm," according to INSIDE Public Accounting, a national publication serving the accounting profession.

**SS&G** was awarded the 2013 Edge Award for Outstanding Marketing Initiative from LEA Global in recognition of SS&G's recent ad campaign focusing on de-mystifying the tax, assurance, accounting and consulting processes.

**GARY S. SHAMIS, CPA, M.ACC.** received the 2013 Legends Award in honor for his years of service and leadership in the accounting industry.

**LAURA WARD, CPA** has joined Cohen & Company as principal in the accounting & auditing department.

## COLUMBUS

**JACOB BADENHOP**, has joined Holbrook & Manter, CPAs as a fall and winter intern.

**MOLLIE LONGHOUSE, CPA, MST**, has joined GBQ Partners as a Tax Senior Manager.

## MAUMEE

Partners, **AARON SWIGGUM, CPA** and **DAVID HAMMACK, CPA** of William Vaughan Company have been awarded the Personal Financial Specialist credential by the AICPA in recognition of their extensive training and experience in financial planning.

## Eliminate tax-time stress for Ohio's military families Volunteer for Operation CPA



Military families have enough to worry about when a family member is away on active duty. Help ease the stress when you volunteer for Operation CPA. Join CPAs across Ohio and prepare and file tax returns free of charge for Ohio deployed service members.

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## FETCH! is fun for the grownups, too

By Gary Hunt, OSCPA Communications Manager

Thirty-plus pairs of young, expectant eyes fixed on me one afternoon in November, and for a quick moment I'd wondered what I'd gotten myself into.

After two years of reporting on the annual FETCH!® game at Ohio elementary schools, this year I volunteered to help teach the game at my son's school.

FETCH! stands for Financial Education Teaches Children Healthy Habits®. It was created by The Ohio CPA Foundation as a tool for CPAs to teach kids basic financial management concepts. The lesson is delivered to student teams in the form of a board game led by CPAs who explain budgeting, saving and spending through a relatable concept – caring for a pet dog.

After I joined OSCPA in 2011, one of my earliest assignments was to travel to a nearby school to watch a team of CPAs play FETCH! with a class of fifth-grade students. The kids love the game and the change of pace it brings to their day. And the CPAs I've spoken with seemed invigorated by the experience

and heartened by the kids' enthusiasm and intelligence. As a parent, I wanted to experience FETCH! first-hand with my kids.

That time arrived this fall, and I signed up in the same way you would. I started in September by contacting my son's teachers, telling them about the game and answering their questions.

Because I work at the Society and have access to all the supplies and

information, it made sense for me to be my volunteer team's liaison to the school. As such, I needed to make arrangements with the teachers and the volunteers; that's what took the most effort for me in this whole exercise, and it wasn't hard at all.

Most FETCH! volunteer teams are groups of CPAs who work together, or at least know one another. In my case, I was matched with three former FETCH! volunteers:

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- Kristi Blausey, CPA of Landaker & Associates in Westerville
- Angelique “Angel” Boulis, CPA at Wolf, Rogers, Dickey & Co. in Delaware
- Sharon Reisman, CPA tax manager at Clark Schaefer Hackett in Columbus

The day turned out to be a fun change of pace for all of us. The children took the competition seriously, and their discussions about strategy were intense and smart, their reactions loud and exuberant. My teammates were impressed with how quickly they grasped the concepts and made decisions that maximized the value they were receiving, thus increasing their chances of winning.

FETCH! was held this year in 519 classrooms by more than 1,500 volunteers. Feedback from teachers and volunteers has been extremely positive with nearly 100% of teachers and volunteers saying that they plan to participate in the FETCH! program again next year.

“FETCH! is a fantastic experience for our students and staff,” said Eric

Herman, superintendent of Troy City Schools where nearly 20 5th-grade classes participated. “Our students learn about financial literacy in a fun and productive atmosphere. It is really neat to see the volunteers from the community interact with our students.”

Students also reacted positively to the experience.

“In other lessons you just learn about money and it’s just made-up questions,” said Nasir, a fifth-grader at Forest Park Elementary in Columbus. “In FETCH!, you learn what you’d actually be doing in the real world.”

I asked Nasir what he’d do if he suddenly received \$100.

“Before I played FETCH!, I would probably spend it on a video game,” he said. “But now I would save it for something important.”

If you’ve ever thought about participating, I can tell you – now from experience – that you will not regret it. You can learn more by contacting Jerad Wood at [jwood@ohio-cpa.com](mailto:jwood@ohio-cpa.com) or 800.686.2727, ext. 315.

The Ohio CPA Foundation, OSCPA’s 501(c)(3) charitable affiliate, offers the FETCH! program to Ohio’s schools at no charge thanks to individual donors and organizations that support financial literacy education. A special thanks to all of the volunteers and donors, including the Ingram-White Castle Foundation, Macy’s and The Troy Foundation, for making FETCH! possible this year.

To learn more about The Ohio CPA Foundation, its programs or to make a charitable contribution to the Annual Fund, please visit [www.OhioCPAFoundation.org](http://www.OhioCPAFoundation.org) or contact the Foundation’s Director, Karen West, at [kwest@ohio-cpa.com](mailto:kwest@ohio-cpa.com) or 800.686.2727 ext. 344.

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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."
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### Print Instructions

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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**.

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### 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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## Federal and Ohio tax implications of Windsor for same-sex couples

- 1. The purpose of Revenue Ruling 2013-17 is to specify that that legally married same-sex couples:**
  - A. Regardless of where they live, will be treated as married for certain federal tax purposes under the Internal Revenue Code.
  - B. Regardless of where they live, will be treated as married for all federal tax purposes under the Internal Revenue Code.
  - C. Depending on where they live, will be treated as married for all federal tax purposes under the Internal Revenue Code.
  - D. Depending on where they live, will be treated as married for most federal tax purposes under the Internal Revenue Code.
- 2. \_\_\_\_ is one of the 37 states that does not recognize same sex marriage.**
  - A. Massachusetts
  - B. Vermont
  - C. Ohio
  - D. California
- 3. In the case of Obergefell v Kasich, the Federal District Court for the Southern District of Ohio:**
  - A. Held that Section 3 of the federal Defense of Marriage Act (DOMA) was unconstitutional.
  - B. Addressed the constitutionality of Section 2 of DOMA.
  - C. Granted injunctive relief to the same sex couple that was seeking the issuance of a death certificate for the spouse who was gravely ill.
  - D. Held that Section 4 of DOMA was unconstitutional.

## Beware of third-party verification requests

- 4. CPAs need to be cautious about lender and regulator requests for certain guarantees, often referred to as:**
  - A. letters of guarantee.
  - B. comfort letters.
  - C. solvency opinions.
  - D. loan guarantees.
- 5. CPAs are often asked to provide third-party verification requests including information concerning:**
  - A. The salary of the company's CEO.
  - B. The non-business assets of the owner.
  - C. The continued viability of the company.
  - D. The number and quality of competitors faced by the company.
- 6. CPAs who provide written opinions regarding the client's solvency are \_\_\_\_ professional standards.**
  - A. adhering to
  - B. neither in violation of nor adhering to
  - C. violating
  - D. potentially violating
- 7. Despite pressure, CPAs should stick to facts and not include within their verification letter any:**
  - A. promises.
  - B. accounting advice.
  - C. historical information.
  - D. guarantees or opinions.

## Intended and unintended positive outcomes from the Affordable Care Act (ACA)

- 8. The ACA uses a community rating approach for pricing health care policies. Under the community rating approach, which of the following factors will not affect the price of a person's health care policy?**
  - A. Geographic Location.
  - B. Age.
  - C. Whether a person smokes or not.
  - D. Marital Status.
- 9. Which of the following was not identified as a benefit of the ACA?**
  - A. ACA provides health care coverage for pre-existing conditions.
  - B. ACA assures coverage for essential health benefits.
  - C. ACA eliminates annual and lifetime plan maximums.
  - D. ACA assures that you will be able to keep your existing health care policy.
- 10. Which of the following represents an essential health benefit individual and small business owners must cover under the ACA?**
  - A. Convalescent care
  - B. Non-prescription drugs
  - C. Mental and substance abuse
  - D. All of the above

## Don't neglect the psychology of transitioning a business or career

- 11. What part of retirement planning can be more critical than financial planning?**
  - A. The individual's age at retirement
  - B. The ability of the individual to handle the mental and emotional aspects of retirement
  - C. The needs of your spouse
  - D. The health of the individual planning to retire
- 12. Which of these should you do before you retire?**
  - A. Provide for every possible contingency within your retirement plan.
  - B. Prepare for a second career just in case.
  - C. Explore your options and give yourself the time needed to do so.
  - D. Identify where you want to live in retirement.

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To learn more about how Recovery One will help your business call Shelly Kallon at 877-205-2846 ext. 323 or via email at [shellykallon@recoveryonellc.com](mailto:shellykallon@recoveryonellc.com)

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### 42 new members and affiliates applied in October

The list of new members and affiliates is available on The Ohio Society of CPAs' website at [www.ohioscpa.com](http://www.ohioscpa.com).

### In memory of our friends and colleagues:

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The Ohio Society of Certified Public Accountants

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