

March/April 2015

CPA VOICE

The Ohio Society of Certified Public Accountants

2 Trends provide important clues about the future

4 Change is what you make of it

6 How the R&D tax credit can grow your business

12 Cybersecurity threats - no longer an 'if,' but a 'when'

18 Meet the 2015-1016 Executive Board

**BETTER
EMOTIONAL
INTELLIGENCE
BOOSTS BOTTOM LINE 16**

535 Metro Place South
Dublin, Ohio 43017

THE OHIO
SOCIETY
OF CPAS



Trends: Imagining your future

I was recently asked to share my thoughts with a group of peers on the top trends that spell opportunities for associations. These trends are largely cultural, and their potential impact is also important for companies to consider as you look to keep your businesses moving forward.



Relationships matter. People increasingly want to connect with organizations and companies on an emotional level — one to one. Are you personalizing the experience for your customers? Is your culture perceived by employees and those you do business with to be open, friendly, trustworthy and transparent? These are the characteristics that could help to humanize your image.

Pricing Strategies. Many companies are employing new pricing concepts that are rooted in human emotion. It's what moves people beyond a single sale to become repeat buyers. Companies can glean important lessons from sympathetic pricing strategies such as Uber's 'painkiller' approach, which offers services that solve lifestyle pain points. Organizations with pricing models that appeal to customers' personal beliefs are a step ahead of the competition.

Culture of purpose. People are increasingly concerned about the damage their consumption of products is doing to the planet, society and to themselves. As a

Stay one step ahead of
HEALTH CARE REFORM.

TRUST OSWALD TO LEAD THE WAY FORWARD.

Visit www.oswaldcompanies.com/hcroscca
or call 888.767.4548

oswald
Focus Forward

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

PREMIER
SOCIAL SECURITY CONSULTING, LLC
Leaders in Social Security Consulting and Education

Social Security Education

8 CPE hours
Only \$350

Gain the confidence to answer the Social Security questions your clients are asking—reinforcing existing client relationships, opening the doors to new clients, and **boosting revenues.**

Apr 17, 2015 Cincinnati, Ohio	Apr 20, 2015 Cleveland, Ohio
Jun 22, 2015 Cincinnati, Ohio	Jul 23, 2015 Columbus, Ohio

see full schedule of classes.

Register: www.premiernssa.com/register-for-nssa-classes/
Select date and "Pure Education" option.

800-518-0761 • PremierNssa.com

proud to be an Affinity Partner of the Ohio Society of CPAs.

Table of Contents

Tax

- 6** Grow your business with R&D tax credits

Business & Industry

- 10** Absorption vs. marginal costing: Who is the winner and does it matter?

Technology

- 12** Cybersecurity threats – it's no longer if, but when

Feature

- 14** Emotional intelligence is a bottom-line issue

OSCPA News

- 17** Beware these career design killers
18 2015-2016 Executive Board elected
21 Your membership matters! Dues statements mailing April 30
22 Save on disaster recovery, staffing services
23 Members in Motion

The Ohio CPA Foundation

- 24** Here's how you can support the future of the profession

“ Business and social trends can be important clues to opportunities on the horizon. Visionary leaders embrace trends and use them as launch points for imagining a new future. ”

result, there is a growing desire to associate with products and organizations that are socially responsible. It will be important for all companies to bake an element of social good into their offerings in ways that are not seen as an add-on, but rather an essential component of your brand.

Time to play. In today's fast-paced world, people are looking for balance and, in some cases, a chance to unwind and experience unstructured play. Your associates are no doubt your most valuable asset. They work hard to keep pace with the needs of your customers and company goals. That's a tall order to fill on a daily basis, especially during the busiest season of the year. Are you carving out periodic time to help them escape or engage in creative play that provides inspiration for your organization?

Business and social trends can be important clues to opportunities on the horizon. Visionary leaders embrace trends and use them as launch points for imagining a new future. What inspiration are you using to drive your company and employees forward?



2015 OSCPA SPRING CPE CONFERENCES

One day, one convenient location and eight hours of quality CPE that will help you meet the tough challenges of the profession. These intensive, one-day events feature tracks covering the latest in tax, A&A, forensic accounting, fraud and much more.

For more information or to register, visit OSCPAs Store or call **CPAnswers**, your member service center.



ONLINE store.ohiocpa.com



PHONE (888) 959-1212

AT A CITY NEAR YOU

Cincinnati Spring CPE Conference
April 30 | Product ID: 47619

Cleveland Spring CPE Conference
May 8 | Product ID: 47690

Youngstown CPE Conference
May 15 | Product ID: 47692

Columbus Spring CPE Conference
May 15 | Product ID: 47715

Change is what you make of it

By Mark Van Benschoten, CPA



If all businesses – and nonprofits and trade associations are businesses – only did what they’ve always done, there would be no advancement, no new products, no new offerings.

This is an important point for OSCPAs members to keep in mind as we continue elevating the organization for the future.

Many trade associations are experiencing membership declines, and the cost of these associations’ services are going up. They just can’t devote resources to everything they used to do.

One of my firm’s clients is a trade association that is aggressively launching a tiered leadership program because it has identified that as a critical and growing need for their industry. To do that, the association had to kill longstanding programs that it could no longer justify supporting.

I applaud that mindset. Organizations today have to think about what is

coming five or 10 years down the road – not spending resources trying to revive 20-year old programs with marginal reach.

I recently had another client who asked his board to list all things the staff did there, and board members listed 40 unique things. He then asked staff to go through the same exercise, and for them it turned out to be 180 items.

The board was surprised to discover a disconnect between their perception and what the staff was actually spending time on. It helped illustrate a problem; their organization had become too broad. That was not good business and it needed to change.

At The Ohio Society, we embarked on a similar journey last year. We began by asking staff for a comprehensive list of programs, services and internal operations that require either direct financial resources or staff time. This process yielded a list of nearly 200 items. From there, we took a hard look at all of the Society’s programs to be sure they were aligned with our mission and strategic priorities. Some existing programs no longer fit, and have since been discontinued.

As an organization, it’s imperative that we provide our members with services that are meaningful. For our longstanding programs, it’s possible – maybe even likely – a day will come when they no longer fit.

We’ll continue to put OSCPAs programs through this process and maintain a lean organization that delivers value for all our members. This philosophy will

help OSCPAs proactively address the needs of members, while looking for ways to anticipate and serve member needs in the future, possibly through new programs.

A great example is our Annual Meeting and Business Excellence Symposium, scheduled for May 6 in Columbus. It will have a new focus, combining OSCPAs’ annual meeting with a day of energizing presentations addressing some of CPAs’ biggest challenges. I hope you’ll join us.

Change is a necessary evolution in any organization and we all can play a role in managing it.

I recognize that’s an easy statement to make in general. It’s tougher when it’s your ox that’s getting gored.

I hope you can also appreciate the position of your peers and say, “I’ve done some similar things in my professional life. I might not like it right now, but I understand and respect that these things have to happen.”

The Ohio Society of CPAs is your society, and there is probably a lot more going on here than you realize. I encourage you to explore your options and get involved. Make your voice heard. Pitch in and help.

Mark Van Benschoten, CPA with Rea & Associates, Inc. in Dublin, is The Ohio Society of CPAs 2014-2015 Chair of the Board.



Let "The Apprentice" help you master business excellence

RESERVE YOUR SEAT! OSCPA'S ANNUAL MEETING & **BUSINESS EXCELLENCE SYMPOSIUM**



Join us as *New York Times* best-selling author and winner of NBC's "The Apprentice" **Bill Rancic** offers his insights on how to think like an entrepreneur. *His presentation is sponsored by Business Leadership Solutions.* We've also assembled an award-winning lineup of master architects

to share their secrets on the foundational elements of:

- Building a Blockbuster Brand
- Understanding the Impact of Emotional Intelligence
- Getting innovation right in a challenging economy
- Emerging Issues Impacting Business and the Profession

Annual Meeting and Business Excellence Symposium

DATE: May 6

LOCATION: Hyatt Regency Columbus

CREDIT: 8 hours of CPE

TIME: 8:45 a.m. - 6:30 p.m.

PRODUCT ID: 47659

FEE: \$199

THE SPONSORS



For more details and to register, visit The Ohio Society of CPAs' website at store.ohiocpa.com or call our CPAnswers at (888) 959-1212.

* Arrangements for the appearance of Bill Rancic made through BigSpeak, Inc., Santa Barbara, CA, www.BigSpeak.com

Use the R&D tax credit to grow your business or client base

By Ron Antal, CPA, MST, & Marla Schleider, RCG Tax Partners



The year was 1981. Dolly Parton had the Billboard top hit song “9 to 5.” TV viewers were enthralled by “Dallas” and the Ewing family. “Raiders of the Lost Ark” was the top movie. But, its hero, archaeologist Indiana Jones, wasn’t the only one digging for gold and buried treasure.

As part of ‘The Economic Recovery Tax Act’ (ERTA) of 1981, Congress enacted the Research and Development (R&D) tax credit, enabling companies to recoup some of their R&D financial investment. Dating back to the 1960s, there had been a marked decline in private sector R&D investment. The government hoped that the R&D credit would foster technological innovation, resulting in increased competitiveness by U.S. industry.

Almost everyone agrees that the R&D credit is an effective tool. But, it remains a temporary credit that’s been extended



TAKEAWAYS

- ▶ The R&D credit is underutilized by small to mid-sized companies because of the mistaken belief that the innovation must be NEW to the world when in fact, it only needs to be NEW TO YOU.
- ▶ Under IRC 174, activities must meet a four-part test to qualify as R&D:
 1. Be technological in nature
 2. Have a permitted purpose
 3. Include a process of experimentation
 4. Eliminate uncertainty
- ▶ R&D credit has been historically used by manufacturers, however, it is open for use by commercial contractors, software and app developers, engineers, and banking and insurance industries, among others.
- ▶ Three different components make up the R&D credit calculation:
 1. W-2 wages
 2. Supplies
 3. Contract research
- ▶ There are two different credit calculations – the Regular Research Credit and the Alternative Simplified Credit.
- ▶ The Ohio Research and Development Investment Tax Credit is authorized by section 5751.51 of the ORC. It’s a credit against the Commercial Activity Tax. Any excess Ohio credit may be carried forward for up to seven years. There are no AMT considerations, so some taxpayers may benefit from Ohio’s credit even though they can’t use a federal one.

16 times and undergone at least five facelifts. Why? The official answer: it would cost the government \$100-\$150 billion in tax revenue over the next decade; too much cash for Congress to readily give up. The unofficial, and somewhat cynical answer: politicians generate valuable political donations from companies most impacted by the threat of an expired R&D tax credit.

We're left with a valuable, viable credit extended for 2014 that may directly benefit you or your clients.

Misunderstood and underutilized

Although more than \$7.5 billion in R&D credits are claimed in the U.S. annually, 80% of the businesses taking the credit have \$250 million or more in gross receipts. The credit is underutilized by small to mid-sized companies. Why? It's often the mistaken belief that the innovation must be NEW to the world when in fact, it only needs to be NEW TO YOU. This was instituted in 2001 when President Bush changed the high threshold of the innovation requirement to be company, and not entire industry, related.

The four part test

Under IRC 174, activities must meet a four-part test to qualify as R&D. They must:

1 Be technological in nature.

The activity must fundamentally rely on the principles of physical science, biological science, engineering, or computer science.

2 Have a permitted purpose.

The activity must relate to a new or improved business component's function, performance, reliability, quality or price.

3 Include a process of experimentation.

Activities must involve evaluation of alternatives, confirmation of hypotheses through evaluation, and testing, modeling, refining, or discarding of hypotheses.

This really *is* R&D

- Develop new or improved products, processes or formulas
- Create prototypes or models
- Develop or improve software
- Develop, implement or upgrade systems
- Building, upgrading or redesigning a facility
- Engineering
- Product testing
- Testing new materials
- Preparation of quotes
- Designing tools, jigs, molds, dies
- Equipment modifications
- Automating processes
- Feasibility analysis

4 Eliminate uncertainty.

This involves the identification of information that is uncertain at the onset of the project or activity. Uncertainty may relate to production method, product capability, appropriate design or application of product.

Am I invited to the party?

Historically, manufacturers were prime candidates for the R&D credit. But times are a changing. With recent court cases, including Geosyntec (ongoing) and the newly revised definitions for internal use software, we have seen a major increase in applicants. They include: commercial contractors, software and app developers, engineers, and banking and insurance industries.

Below is a sample list of potential R&D candidates:

- Aerospace
- Agriculture
- Architecture
- Automotive
- Banking
- Chemicals
- Commercial Contractors
- Electronics
- Energy
- Engineering
- Excavation
- Food Processing
- HVAC
- Injection Molding
- Insurance
- Manufacturing
- Medical
- Oil and Gas

- Packaging
- Pharmaceuticals
- Plastics
- Robotics
- Software Development
- Telecommunications
- Tool and Die

ABCs OF QREs

Three different components make up the R&D credit calculation. They are called QREs or qualified research expenses.

W-2 wages

This includes all the wages of personnel who are directly involved in, supervise, or support research and development efforts. There is an 80% rule in effect – if 80% or more of an individual's time is spent working on R&D, then 100% of his or her wages count as qualified. If less than 80%, the actual percentage is multiplied by the salary and allocated.

Supplies

These are non-capitalized materials and supplies. They include tangible property. They vary from one industry to the next, but may include: prototypes, dies, molds, software licenses, chemicals, etc. Travel is not included.

Contract research

This involves research performed by a third party on behalf of a taxpayer. Qualified contract research is multiplied by 65% (75% if performed by a University or consortium).

Continued on page 8 ►

Continued from page 7 ►

What about the base?

There are two different credit calculations – the Regular Research Credit and the Alternative Simplified Credit. The RRC is a far more complex calculation. It hinges on a fixed base calculation determined by an R&D startup date that is often difficult to establish. It was rumored that this calculation would be discontinued for 2014. Congress kicked the can down the road, and we suspect this will be a 2015 issue.

The ASC is based on increased current spending over the three prior years' average multiplied by 50%. It's a simpler, and generally, more favorable, calculation. In 2014, Congress approved the ASC calculation for amended returns. We saw many companies benefit greatly from this change because they could not take the credit before due to the mechanics of the Regular Research Credit.

The 280c election is made on Form 6765 of a timely filed (including extension) income tax return. Once

made, the election is irrevocable for that particular tax year and allows the taxpayer to reduce the credit in lieu of adding back the credit to taxable income.

Calculations

Regular Research Credit with 280c Election

Base Period Amount = Fixed-Base % x Average of Prior Four Years' Gross Receipts

$(QRE - \text{Base Period Amount}) \times 13\%$

Regular Research Credit without 280c election

$(QRE - \text{Base Period Amount}) \times 20\%$

Alternative Simplified Credit (ASC) with 280c election

$((QRE - \text{average of Prior 3 Years' QREs} \times 50\%) \times 14\%) \times 65\%$

ASC without 280c election

$(QRE - \text{average of Prior 3 Years' QREs} \times 50\%) \times 14\%$

Can I take it?

So you're in an industry that qualifies and you've identified R&D activities. You're ready to go, right? Not quite so fast.

Do you need the credit? Are you in a loss situation? You must be making

money to use the credit. Otherwise, you will have to carry it back one year or forward up to 20 years. Clients may balk at spending money to calculate something they can't use immediately.

Are you in AMT? The credit does not offset AMT. What is the spread between AMT and regular tax? The credit can be utilized up to the spread amount. In the case of numerous shareholders, it's important to examine how everyone is affected.

Are you carrying forward NOLs? They must be utilized before the R&D credit can be.

Leftovers

What if I can't use all of the credit this year?

As we mentioned previously, you can carry it back one year, and forward 20.

What if I think I can use the credit in a future year but don't need it yet?

There is a 280c election made on Form 6765. Once made, the election is irrevocable for that particular tax year and will allow the taxpayer to reduce the credit in lieu of being required to add back the credit to taxable income. Suspect you may want to go back and



Let's move the
needle together



The Ohio Society of CPAs works hard to help you drive business performance for those you serve. We offer unmatched value through:

- > Advocacy - We represent your interests with lawmakers and regulators
- > Education - We offer high-quality continuing education on the topics you need most
- > News - We keep you informed on issues impacting your job and the profession
- > Solutions - Career resources and job posting services through the OSCPAs Career Center
- > Networking - Beneficial networking and business development opportunities

Renew now! Renew your OSCPAs membership by logging in at store.ohiocpa.com/dues or calling CPAnswers at (888) 959-1212.

amend a return to take a credit? We recommend that you file the 6765 with \$0 credit in the ASC section, and take the 280c election.

What if I'm having a great year and need all the credit I can find? Can I go back and take the credit for prior years?

Yes, you can go back to three open prior years. If you are doing a 2014 R&D study, you may look at 2011-2013 as well.

Is this risky business?

No. Your audit potential for a current year R&D claim is the same as your general audit risk. However, the risk is greater on amended returns. Certain industries, such as commercial contractors, may be at greater risk.

The Great State Credits – Icing on the cake

Thirty-nine states offer some type of R&D credit or incentive. This is in addition to the federal credit.

The Ohio Research and Development Investment Tax Credit is authorized by section 5751.51 of the ORC. It's a credit

MORE TO EXPLORE »



Spring CPE Conferences

April 30	Cincinnati	Product ID: 47619
May 8	Cleveland	Product ID: 47690
May 15	Columbus	Product ID: 47715
May 15	Youngstown	Product ID: 47692

Get the skills, knowledge and advice you need to stay on top of your game at the 2015 Spring CPE Day near you. This year's conference is packed with information from the experts you know and the industry leaders you trust. Plus, you'll have the opportunity to network with peers and satisfy your three-hour ethics requirement.

against the Commercial Activity Tax. Any excess Ohio credit may be carried forward for up to seven years. There are no AMT considerations so some taxpayers may benefit from Ohio's credit even though they can't use a federal one.

Celebrate 34 years

Don't overlook the gift of a federal R&D tax credit. For businesses, it's a

valuable tool to help fund new product and process development. And, for CPA firms, it's a valuable tool to help maintain and grow your client base.

Ron Antal, CPA, MST, is managing director of RCG Tax Partners and Marla Schleider is associate director. RCG is a niche firm nationally recognized for their expertise in R&D tax credit work and building cost segregation studies. They may be reached at (330) 689-1778 or ron.antal@rcg-inc.com or marla.schleider@rcg-inc.com.






Professional Issues Updates

Expand your perspective

Winter 2015

Get the scoop on 2015

Earn two free hours of CPE

Product ID: 47684



Explore what's in store for 2015 with the On-Demand edition of the Winter Professional Issues Update (PIU).

OSCPA President and CEO Scott D. Wiley, CAE examines the issues and trends that matter most to you, including:

- Tax reform – Why 2015 will be a landmark year
- The evolving role of the CPA
- Health care – IRS tax issues and consumer costs
- Micro CPE – Adding flexibility to learning
- The future of peer review
- Talent management – Strategies for improving retention

The Winter PIU is available until May 1, anytime, anywhere you choose. Quiz must be completed by May 1 to receive credit.

Access the On-Demand video today at store.ohiocpa.com or call CPAnswers at (888) 959-1212.

Absorption vs. marginal costing: Who is the winner and does it matter?

By Tara L. West CPA, CMA



I have often heard accountants ask, “What is the difference between marginal costing and absorption costing?” “Why has the IASB allowed absorption, but not marginal costing?” and “Which method is most suitable for decision making?”



TAKEAWAYS

- ▶ Absorption costing treats manufacturing costs as product costs.
- ▶ Marginal costing only allocates variable costs as a product or inventoriable cost.
- ▶ With absorption costing, fixed overhead is reported as a product cost – or inventoried – while under marginal costing it is a period cost, or expensed.
- ▶ Absorption costing classifies expenses by function and marginal costing categorizes expenses first by behavior and then possibly further by function.
- ▶ You can make better management decisions by fully understanding your organization’s costing methodology.

Those of you who aren’t part of a publicly traded company might not be as familiar with the IASB. The International Accounting Standards Board is independent and privately funded. It is responsible for developing International Financial Reporting Standards (IFRS) and promoting the use and application of those standards. The IASB was developed almost 15 years ago to replace the International Accounting Standards Committee.

Absorption costing (also known as full costing) treats the costs of all manufacturing components (i.e., direct material, direct labor, variable overhead, and fixed overhead) as inventoriable

or product costs. In comparison, marginal costing only allocates variable (direct material, direct labor and variable overhead) costs as a product or inventoriable cost. When it comes down to it, there really are just two main differences between absorption and marginal costing: The method in which fixed overhead is treated and the presentation of costs on the income statement. With absorption costing, fixed overhead is reported as a product cost – or inventoried – while under marginal costing it is a period cost, or expensed. Finally, absorption costing classifies expenses by function and marginal costing categorizes expenses first by behavior and then possibly further by function.

So, why does the IASB only accept absorption costing? (And it would only be natural to ask ourselves whether we agree.) One main reason I think marginal costing was not allowed is because it does not include fixed overhead in the product cost. Marginal costing argues that fixed overhead would be incurred regardless if you are producing a product or not, and therefore, should not be part of the product cost. In this definition, fixed overhead is treated as a sunk cost. While the fixed overhead will most likely occur regardless as to how much you produce, it is not a sunk cost. A manufacturer still has discretion about changing operations, which could possibly remove some of the fixed costs, or perhaps even increase them. Also, some of the costs might be fixed to a certain point and then have a variable component.

Although all of these things might be true, it is important to weigh the expense of determining how much cost you need to recover to provide an accurate costing picture and ultimately, stay in business. An issue with absorption costing, however, is that it attempts to allocate fixed overhead as a variable cost, which can in itself create

“ In the end, it is not about who is right or wrong, as the IASB is more concerned with reporting than management decisions. The only true winner is the one who fully understands the costing methodology and what it is being used for. ”

a lot of issues. Many fixed costs will have a variable portion beginning at a certain point, but trying to turn a true fixed cost into a variable one is not accurate, and can be quite detrimental.

In the end, it is not about who is right or wrong, as the IASB is more concerned with reporting than management decisions. The only true winner is the one who fully understands the costing methodology and what it is being used for. A transparent costing system will always win out over a complex

system that is not well understood and misused. When we're preparing financial statements, there are often GAAP, income tax, IFRS or other rules that we have to follow. Those standards all have reasons for existence and it is important to comply with them to be in obedience with the standards for which you're accountable. But at the end of day, none of the compliance standards alone provides you with the information you need to make sound management decisions. There are pieces from each system that might be useful, but it would be quite cumbersome to sort out all the different methods for only the useful pieces. It is more beneficial to have an accurate cost system that provides you with timely and accurate information to make sound management decisions. It's important to note that you should spend just as much time - if not more - on your costing system as you do on compliance. There are many different decisions to be made inside of a business, i.e. expanding or removing a product line, making vs. buying, determining selling price, quoting, etc. The wrong allocations can lead to a disaster no matter what decision you're approaching.

Tara West, CPA, CMA, CGMA, is a tax and consulting manager with the William Vaughan Company in Maumee. She serves as the secretary for the Toledo Chapter of The Institute of Management Accountants.

MORE TO EXPLORE »

Annual Meeting and Business Excellence Symposium

May 6 | Columbus | Product ID: 47659

Reserve your seat today for the Business Excellence Symposium, featuring *New York Times* best-selling author Bill Rancic, winner of NBC's "The Apprentice." You'll also hear from a lineup of master architects who are ready to help you build the foundation for business success.

Bill Rancic's presentation is sponsored by Business Leadership Solutions



Cybersecurity threats - no longer an 'if,' but a 'when'

By Steve Snethkamp, Ernst & Young LLP



TAKEAWAYS

To gauge how your company compares to those best prepared for a cyber attack, consider these five questions:

1. How have we aligned our cybersecurity approach to our business and organizational strategies?
2. Where are the gaps and what are our plans to close them.
3. How are we evolving our cybersecurity approach to match the changing technology and security risk landscape?
4. Who have we identified as our threats?
5. Where is our critical data and how is it protected from our threats?

The harsh reality of today's security environment means that there may be only two kinds of organizations: those that have been breached and know it, and those that remain dangerously unaware. How are companies preparing for the near certainty that they will suffer an information security breach and how will they mitigate the associated impact?

The best-prepared businesses start by realizing that responsibility for defending against cyber attacks can no longer be placed solely on their IT departments. Leading companies are moving this

discussion into the boardroom, where it's an essential part of their overall risk management strategy. Organizations need executive support to establish a clear charter for the information security function and a long-term strategy for its growth.

Increased partnering with stakeholders across business areas, such as HR, IT, risk management and the supply chain, encourages CFOs, CEOs and COOs to confirm that all relevant stakeholders understand what needs to be protected. Executive leadership can also create a culture of security awareness and promote security accountability for key functions within organizations. Top considerations could be whether an organization's personnel and technology could respond to such issues as

nation-state actor threats, geopolitical shocks, data proliferation from cloud computing and mobile devices, reliance on third parties, effective security monitoring, and regulatory, reputation and information risk.

Making strategic investments in projects and people will also help mitigate the impact of cyber threats. Organizations tend to overinvest in protecting IT assets, while underinvesting in a full and strategic understanding of the nature of the threats. The best-prepared organizations are investing enough, and in the right people, to build a team with the skills to stay ahead of the constantly changing information security landscape. Having a multitude of tools and team members with technical IT skills alone is no longer enough.

Effective operational enablement is another leading practice for companies that want to come out ahead when faced with a cybersecurity threat. Organizations must establish a framework to continuously complicate an attacker's ability to cause damage. If information security departments can make it more difficult for the attacker to

cause harm to the data and systems, chances are they can better detect the attack in action and respond to it faster and more effectively. The last step in the framework is training the workforce and governing the program to become your "human sensor."

At best, security breaches are a costly distraction from core business activities; at worst, they can lead to catastrophic failure. In between lies a broad range of business impacts that threaten operations, production capabilities, customer or employee data, liability

exposure and intellectual property, any one of which could jeopardize business continuity and integrity. By propelling the matter of security to the boardroom, making strategic IT investments and creating effective operational enablement, companies will be better prepared when faced with a cybersecurity threat.

Steve Snethkamp is an advisory partner at Ernst & Young LLP practicing in information security. He serves clients across the Ohio Valley. The views expressed herein are those of the author and do not necessarily reflect the views of Ernst & Young LLP.

MORE TO EXPLORE »

!MPACT

[Your Customers] [Your Organization] [Your Career]

OHIO ACCOUNTING SHOWS

The 2015 Dayton Accounting Show
May 20-21 | Product ID: 47671



Learn about today's critical business topics in a lively and entertaining environment when the Dayton Accounting Show returns to Sinclair Community College. We've increased the length of the show's sessions from 60 minutes to 75, allowing time for greater depth and more conversation.

Register online at store.ohiocpa.com.

2015 EMPLOYEE BENEFIT PLAN AUDIT CONFERENCE

APRIL 28, 2015 | COLUMBUS | PRODUCT ID: 47608



HIGH STAKES CALL FOR HIGH QUALITY

Employee benefit plans are becoming more complicated, which means you need to be in the know. Equip yourself to navigate the intricacies involved and get the comprehensive review you need to stay on top of your game.



Don't jeopardize the success of your upcoming peer review – register today at store.ohiocpa.com or call CPAnswers at (888) 959-1212.

The case for emotional intelligence

Training toward a mindset of integrity improves the bottom line

By Gary Hunt, OSCP communications manager



The importance of emotional intelligence crystallized in Tony Gay's mind several years ago when he was working with a national hardware chain.

As a part of the consulting project, Gay was brought aboard to help the company consolidate its spreadsheet. The company at the same time was looking to improve the culture of its IT department.

"The environment was very top down," Gay said. "It was an older factory style, where managers were in charge, and there was very little interaction up and down the chain."

The consultants made a case to that company for how emotional intelligence could impact the bottom line. They laid out a plan and put employees through a training program.

"Based on the data, we had 22% improvement in that business unit," Gay said. The improvement was manifested in fewer work days lost to illness, fewer help desk tickets and quicker resolution of ones that were submitted.

"There was definitely much better employee engagement," Gay said. "The employees really felt the company was interested in them as individuals, that the company was concerned about their growth both personally and professionally."

"To me, that really set off a light bulb, and from that point forward, I really started to learn more about emotional intelligence."

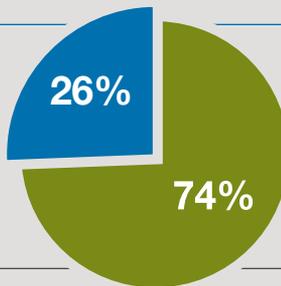
Gay is now the president and CEO of Business Leadership Solutions, Inc., a Cincinnati-based consulting firm that focuses on leadership and team development as well as business growth.

Emotional intelligence (EI) – just one of the issues Gay often covers when advising high-level management – started to gain traction with the 1995 book, *Emotional Intelligence: Why It Can Matter More Than IQ* by Daniel Goleman. It's commonly defined as the ability to identify, understand, manage and use emotions in positive ways.

EgonZehnder

Analysis of 515 Executives for EI vs. IQ and Relevant Previous Experience

Including Offices in Germany, Japan and US



Execs Rate as Successful

Hi rated in IQ

High in IQ and Previous Experience | High in Emotional Intelligence

“The best way to describe it is the way you respond to key moments that occur in your life,” Gay said. “Emotional intelligence really is about responding positively, allowing that experience to be productive and using it to grow as a leader and a person.”

It can sometimes be a challenge to get business leaders to understand the value of building the EI of their team.

“The hardest piece to convey is the fact that emotional intelligence can have a direct effect on the bottom line for a business,” Gay said. “A lot of times business owners look at the idea of emotional intelligence as a waste of time or it’s some kind of fluffy, touchy-feely kind of thing, but being able to convey this to employees can have a significant impact on productivity.”

For example, cosmetic company L’Oréal began screening job candidates for emotional intelligence and has seen greater results and less turnover among sales staff who rated high for EI. A major soft drink company saw performance results that exceeded goals by 18% for division presidents with high EI, versus results that were 19% under goals for those with low EI.

Fortunately, EI has proven to be like a muscle: something that people can exercise, develop and grow.

“It’s definitely not something that’s hard to do,” Gay said. “It takes training, it takes awareness and it’s something that takes conscious decision making to improve. It’s not something you improve just by listening to a podcast or going to a class. It’s something we have to work at on a constant basis.”

The work starts with an awareness of your world view, or “paradigm.”

“We don’t all view reality the same way,” Gay said. “When something occurs in the outside world, we view it through our own paradigm and that’s how we internalize and respond to that experience.”

Gay said research on EI has shown that most people view external pivotal events in their lives through these four paradigms:

1. Fear
2. Duty
3. Achievement
4. Integrity

Gay said even though emotional intelligence is a relatively new term, the process it describes is not.

“Those paradigms have always been there,” he said. “It’s just a matter of understanding that this is the process we’re going through. As key moments come up in our lives, we always have the option of how we respond in that key moment.”

The goal – whether in business or in your personal life – is to practice viewing events through the integrity paradigm. When a “key moment” occurs, take the time to clarify your vision and purpose, then act intentionally with integrity. That practice works well both at the office and at home, Gay said.

“The way we respond to the world and how we look at events really impacts our life personally,” he said. “It’s a constant choice we have to make, and we always have to work at it.”

From a business standpoint, helping employees develop emotional intelligence can help them become more engaged, productive and independent.

“It really helps people become better human beings as well,” Gay said. “They’re less stressed, they’re happier and they’re better employees.”

For example, tech giant Google regularly allows its employees to spend a dedicated amount of time working on their own pet projects – a practice that has led to the development of company services such as Gmail, AdSense and Google News.

“Companies looking to find competitive advantages have started to realize that leading from the ivory tower isn’t necessarily the best way to do it,” Gay said. “People on the workroom floor, secretaries, salesmen, whoever, can come up with some great ideas that can really affect the bottom line of the business.”



Tony Gay, president and CEO of Business Leadership Solutions, Inc.



R&D Tax Credits. Don't Let 'Em Get Away!

In the changing sea of R&D, there's more to reel in than ever before. The R&D Tax Credit Experts at RCG will maximize your catch in:

- Manufacturing
- Engineering
- Construction
- Chemicals
- Architecture
- Agriculture
- Plastics
- Metals
- Software
- Oil & Gas
- Food
- And Much More

We deliver outstanding client support, rock solid documentation and polished reports on time, all the time... at reasonable fees.

RCG. We'll help you land the big ones!



R&D TAX CREDITS ■ COST SEGREGATION

WWW.RCG-INC.COM ■ 330.689.1778

Meet the 2015-2016 Executive Board

The Ohio Society of CPAs Nominating Committee in February announced the slate of candidates who have since been elected to fill the top leadership positions in OSCPAs. These CPAs, who will represent your interests and drive OSCPAs's strategic priorities on the Executive Board, hail from a wide swath of sectors in Ohio.

The committee unanimously recommended William (Bill) Chorba III, CPA, CGMA as OSCPAs's 2015-2016 chair-elect candidate for the Executive Board, along with six nominees for director. Chorba will serve as chair of the board for the 2016-2017 activity year.

The chair-elect serves a three-year term on the Executive Board, one year each as chair-elect, chair and past chair.

Each of the six nominees for director will serve a term of three years from 2015-2018.

The nominees will be inducted May 6 at OSCPAs's Annual Meeting and Business Excellence Symposium. At that time, Thomas M. Zaino, CPA, J.D. with Zaino Hall & Farrin LLC, Columbus will be inducted as chair of the board. Mark A. Van Benschoten, CPA with Rea & Associates, Inc. in Dublin will become past-chair. Robert A. Bosak, CPA with Kaplan Trucking Company in Cleveland will continue as vice chair, finance.



CHAIR-ELECT

William Chorba III, CPA, CGMA
CFO, NineSigma Inc., Beachwood

Bill serves as the global CFO of NineSigma, Inc. He is responsible for finance management and strategy, accounting, risk management, investor relations, treasury, human resources, IT and administration. In addition, he serves on the Board of Directors of NineSigma Japan and is a managing director of NineSigma Europe, NineSigma Australia and NineSigma Korea.

Bill has experience in the development, execution and management of client projects including merger and acquisition advisory; corporate valuations, ownership succession plans and due-diligence projects; finance, accounting, treasury, human resources, IT and administration.

He was the recipient of Crain's Cleveland CFO of the Year for Private Companies Award in 2011.

He also served on OSCPAs's Executive Board from 2010-2014.

DIRECTOR NOMINEES:



Marie A. Brilmyer, CPA
Audit Senior Director, BDO USA, LLP, Akron

Marie leads the firm's Akron area nonprofit practice. She has

experience providing assurance and consulting services to organizations in manufacturing, distribution, service organizations, temporary staffing agencies, health care entities, nonprofit organizations, employee benefit plans, schools, and religious institutions. Marie is also skilled in working with venture capital-funded entities.

Marie is an integral part of the Women's Initiative Leadership group at BDO,

focused on identifying volunteer, networking and marketing opportunities for female professionals. She also sits on the firm's GAAP Committee of internal technical leaders. Marie successfully completed the AICPA's Leadership Academy and was appointed to the AICPA's Women's Initiatives Executive Committee for the 2014-2015 term after helping to launch OSCPAs's Women's Initiatives Committee, which she still leads. She

has served on OSCPAs Executive Board since 2013. She has also served on the Young CPA Board and chaired the Editorial Advisory Committee. In 2013, she was a recipient of the Greater Akron Chamber's 30 for the Future award.



Donald L. Mellott, Jr., CPA
Managing partner, Mellott & Mellott PLL, Cincinnati

Don became a partner in 1991 and managing partner in 1998.

He represents the third generation of Mellotts in the firm, which will celebrate 60 years of service in 2016. Don works with clients in both the tax and accounting and auditing areas, specializing in closely held businesses.

He has been a member of OSCPAs Ethics Committee for more than six years. He is a member of the Cincinnati Parks Foundation and a board member of several Tri-State not-for-profit organizations, including:

- Living Arrangements for the Developmentally Disabled
- Center for Chemical Addictions Treatment
- Catholic Inner-City Schools Education Fund
- Chair of the Finance Committee for Our Lady of Visitation Church



Russell J. Meyer, CPA, CMA
CFO, White Castle System, Inc., Columbus

Russ has been at White Castle for 30 years and has developed

a strong knowledge base in corporate financing, active tax planning for company and shareholder entities alike, cost management, and wealth transfer and generational management transitions. He is a trustee for a number of employee benefit plans with more than \$400 million in actively-managed assets. Russ is a CPA and a CMA and long-time member of both OSCPAs and AICPA.

Russ is a member of the Finance Committee and Investment Subcommittee for The Ohio Society of CPAs. He also serves on The Ohio CPA Foundation Board. He has been a speaker for the Cullman Executive MBA Series at The Ohio State University and at Financial Executive International's Private Company Conference.



Jamie Menges, CPA, CFP®
Principal, PDS Planning, Inc., Columbus

A partner and client adviser with PDS Planning, Inc., Jamie leads the

firm's client advisory board as well as the marketing, branding and business development efforts. He joined PDS Planning, Inc. in 2013. Before that, he spent time as an adviser with Investment Partners, Principal Financial Group and as an organizational systems management consultant for Crowe Horwath.

Jamie earned his CFP in July 2006 and his CPA in 2010, along with his Accredited Investment Fiduciary® designation. He serves on OSCPAs Investment Subcommittee. He is a founding member of the Dublin Heart Safe Council and 2008 graduate of Leadership Dublin. He has served

as chair of the Financial Planning Association of Central Ohio.



Thomas Seiler, CPA, JD, Ph.D., CGMA
Dean, Ross College of Business Franklin University, Columbus

In addition to education, Tom has enjoyed careers in public accounting, corporate accounting and law. During his 24 years of accounting experience, he has audited business entities in various industries including natural gas distribution, telecommunications, manufacturing, health care, financial services, retail and local governmental entities. As a corporate accountant, he managed financial operations for the legal division of Bank One Corp. (now JPMorgan Chase).

Tom also has more than six years of significant law experience. As an attorney, he practiced law for Bank One Corp. in the areas of commercial real estate, procurement of goods and services, technology, retail banking, and intellectual property. At Franklin University, he has served as president of the Faculty Senate, as a member of the Assessment Committee and Instructional Professional Development Committee, and chair of the Policy Review Committee.

Dr. Seiler is a member of the board of trustees and past board chair and president of the Central Ohio Chapter of the Institute of Internal Auditors (IIA). He also serves as vice chair of the Regional Conference Committee of the IIA's North American Board. He has also served on the board of The Ohio CPA Foundation.

Continued from page 19 ►



John J. Venturella, CPA, JD

Clark Schaefer Hackett & Co., Dayton

John serves as a tax advisor to businesses from \$100 million,

multi-national corporations to closely held and family-owned companies. He

helps clients with federal, state and local tax issues including mergers and acquisitions and complex transactional tax matters. John is a specialist in the tax advisory needs of high-net-worth individuals, providing counsel on income, trust and estate taxes, complex compliance tax issues associated with nontraditional investments and succession planning. As an attorney and CPA, he confidently represents clients in tax controversies with the IRS at the audit level.

John is a frequent speaker on advanced estate planning techniques, tax implications of emerging federal legislation, succession planning and partnership taxation.

John has served on OSCPAs Executive Board since 2013. He has also served on OSCPAs Finance Committee and the Developing Future Leaders Task Force.

CONTINUING BOARD MEMBERS



Summer D. Cogar, CPA
RG Barry Corp., Pickerington



Timothy B. Michaels, CPA
TimeLess Consulting LLC, Dublin



Eileen R. Sass, CPA
Sass Accounting Services LLC, Copley



Paul R. Etzler, CPA
Skoda Minotti CPAs, Mayfield Village



Sandra B. Richtermeyer, CPA, CMA, Ph.D.
Xavier University, Cincinnati



Owen J. Wyss, CPA
Sandvik Hyperion, Worthington

!IMPACT

- [Your Customers]
- [Your Organization]
- [Your Career]

Your organization is counting on you to make an impact. The 2015 Ohio Accounting Shows can help you do that.

- Get the latest updates on tax, A&A, regulations and more
- Gain valuable insights and skills from leaders in the profession
- Make new connections with other OSCPAs members
- Explore the exhibit hall for solutions to your business challenges

MARK YOUR 2015 CALENDARS:

DAYTON	CINCINNATI	CLEVELAND	COLUMBUS
May 20-21	Sept. 22-23	Oct. 21-22	Nov. 12-13

REGISTER TODAY!
Visit the OSCPAs Store at store.ohiocpa.com or contact CPAnswers at (888) 959-1212.

OHIO ACCOUNTING SHOWS

Your membership matters!

Dues statements coming to you April 30

Watch your mailbox – your 2015-2016 dues statement for membership renewal is coming soon.

This year your membership:

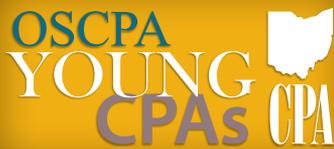
- **Reformed** the municipal income tax structure for Ohio.
- **Influenced** the Accountancy Board of Ohio to make Ohio the first state in the nation to allow fractional CPE.
- **Connected** you to 20,000 other accounting professionals in Ohio.
- **Saved** you and your organization time and money through preferred solutions partners and OSCPAs Career Center.
- **Updated** you on news and changing rules and regulations.
- **Prepared** you to be a better accountant through top-notch CPE.
- And much more.

Looking forward to 2015-2016, your membership can do even more. Several new partnerships to be announced soon will offer you business solutions and save you money. Flexible CPE in a variety of formats helps you stay current and learn what you need when it's most convenient for you.

2015-2016 Membership Dues Schedule

CPA, senior management partner (shareholder or senior management position in a public accounting firm, sole practitioner, or in a business/industry as an officer or other senior management position)	\$490
CPA, non-senior management	\$325
Non-resident member (members who work and live outside Ohio)	\$160
Affiliate (not a CPA – students and emerging professionals excluded)	\$160
Emerging professional (accounting professional who is one year or less removed from college and is not a CPA)	\$160
Retired CPA (work fewer than 20 hours per week or 1,000 hours per year)	\$160
Student affiliate (attending college full or part time and not a CPA)	No Charge
Lifetime Member (Through the 2017 dues billing cycle, those who have been members for at least 25 consecutive years and reached the age of 70; effective as of the 2018 dues billing cycle, those who have been members for at least 40 consecutive years and reached the age of 70)	No Charge

Protect your credential and the CPA profession by renewing your membership today. Visit www.ohiocpa.com or call CPAnswers, your member service center, at (888) 959-1212 to learn more about the benefits and value of membership or for assistance with your renewal.



Quality networking events right in your backyard

Meet leaders in the community, make valuable connections & enhance your professional expertise!
Register today for an event near you.

Visit <https://store.ohiocpa.com> or call CPAnswers at (888) 959-1212.

May 7 **Mix & Mingle at Pour House**
Youngstown | Product ID: 47734

May 7 **Young CPA Mix & Mingle at Veritas Cork & Wine**
Toledo | Product ID: 47737

May 21 **Young CPA Dream Big Luncheon: Brian Ross, President & CEO of Experience Columbus**
Columbus | Product ID: 47626

July 23 **Young CPA Scrappers game**
Youngstown | Product ID: 47628

Save on disaster recovery, staffing services



Agility Recovery

Once disaster strikes, your business has a 55% chance of never reopening. Agility will be there to keep you operational and help return your firm to business as usual.

For more than 25 years, Agility has successfully rescued thousands of businesses from disasters of varying scope. As an OSCPAs Preferred Solutions Partner, Agility Recovery offers special pricing to OSCPAs members. Agility's business continuity solution starts at just \$445 a month. That's a 10% discount off the retail rate!

Members of The Ohio Society of CPAs interested in learning more about Agility's ReadySuite solution can contact Trevor Mickelson at Trevor.Mickelson@AgilityRecovery.com, or (877) 465-9516, ext. 4531.



Robert Half

The Ohio Society of CPAs is pleased to welcome Robert Half as a new Preferred Solutions Partner. Founded in 1948, Robert Half is the world's first and largest specialized staffing services firm. Robert Half's staffing divisions place highly skilled professionals on a temporary, temporary-to-hire and full-time basis in the accounting and finance field.

Learn more about Robert Half staffing services:

- Accountemps – www.roberthalf.com/accountemps/
- Robert Half Finance & Accounting – www.roberthalf.com/finance/
- Robert Half Management Resources – www.roberthalf.com/management-resources/

For more information, call (800) 803-8367.

Achieve Your CPA Goals with Becker FastPass®!

Prepare for the CPA Exam in a matter of weeks instead of months with Becker Professional Education's FastPass. This accelerated class contains the same content as our standard CPA Exam Review but can equip you for the exam in a fraction of the time. Get ready to jump start your accounting career! Benefits include:

- Five Convenient Live Ohio Locations - Akron, Cleveland, Columbus, Cincinnati and Kent, and an online FastPass class for the Bowling Green/Toledo area.
- Shortened Timeframe - Classes start in May and run through July/August.
- Flexibility - Online and Self-Study formats are also available.

Ohio Society of CPAs members receive \$300 off the full course tuition. To learn more contact Sharon German at sgerman@becker.com.*

BECKER
PROFESSIONAL EDUCATION®

*This offer is valid only on complete, 4-part course tuition price and cannot be combined with any other offers.
©2015 DeVry/Becker Educational Development Corp. All rights reserved.

A row of social media icons for Facebook, Twitter, Google+, LinkedIn, and YouTube.

Members in Motion



Steven Bailey, CPA



Sara Becker, CPA



Matthew Dasta, CPA CITP



Paul Fullerman, CPA, CVA



Susan Kornatowski, JD



Cynthia M. Polovich, CPA



Rebekah Smith, CPA,
CFF, CVA, MAFF

AKRON

DEANNA BAKER and **JENNIFER ZUPKA** were hired as staff accountants, accounting and auditing, at Cohen & Company.

CRAIG FRANKFORD was hired as a staff accountant, tax, at Cohen & Company.

ARCHBOLD

ROBIN BRINEGAR, CPA, was promoted to principal at Shultz Huber & Associates, Inc.

CANTON

TODD RUGGLES, CPA, was promoted to manager at 415 Group.

CINCINNATI

STEVEN BAILEY, CPA, was promoted to director (owner) at Barnes Dennig.

ELLIOTT DAVIS and **DECOSIMO** completed a merger Jan. 1. The combined firm, Elliott Davis Decosimo, now has more than 800 professionals in 17 offices across seven states – including Ohio – and the Cayman Islands.

CHERI PADGETT and **MATT ROSEN, CPA**, were promoted to senior managers at Barnes Dennig.

CLEVELAND

STEVEN C. ANDERSON, CPA, was promoted to principal at HW&Co.

KELSEY CLARKE, CPA, and **WILLIAM COPE** were promoted to seniors at HW&Co.

JOHN P. FLEISCHER, CPA, began his five-year term as president & CEO of HW&Co. on Jan. 1, succeeding Stephen E. Stanisa, CPA.

LINDSAY GLAVAN, CPA, and **RUSSELL MAJKRZAK, CPA**, were promoted to senior managers at HW&Co.

KEVIN HOLLIS and **ALI MORAN** were hired as staff accountants at HW&Co.

TODD JACKSON, CPA, and **CRYSTAL SCHWENDEMAN, CPA**, were hired as staff accountants in the tax department at Skoda Minotti.

SUSAN KORNATOWSKI, JD, was hired as a staff accountant by Walthall CPAs.

KATIE KUKWA was promoted to marketing coordinator at HW&Co.

CRAIG MILLER, CPA, CGFM, MBA, has been promoted to president at Duffy + Duffy Cost Segregation Services Inc. He steps in for Dennis M. Duffy, CPA, the firm's and CEO, who is scaling back his day-to-day duties.

HANNAH PRENGLER, CPA, was hired as partner-in-charge, state and local taxation at Cohen & Company.

CATHY ROBINSON, CPA, was hired as a senior manager at HW&Co.

PHIL RYAN, CPA, was hired as partner, accounting and auditing, at Cohen & Company.

CHRISTOPHER SCHNEIDER was hired as an administrative assistant at HW&Co.

KIRSTEN THOMPSON, CPA, was promoted to HR director at HW&Co.

COLUMBUS

SARA BECKER, CPA, was promoted to senior accountant at Brady Ware & Company.

MATTHEW DASTA, CPA CITP, was promoted to director (partner) at Blue & Co., LLC.

JORDAN KELLER, CPA, was promoted to manager at HW&Co.

REBEKAH SMITH, CPA, CFF, CVA, MAFF, was promoted to partner at GBQ.

MAYFIELD

FRANK A. SUPONCIC, CPA, CFE, CFF, was named partner of the business and financial advisory firm at Skoda Minotti.

NORWALK

MICHAEL K. MILLER, CPA, CVA, became a partner of Payne, Nickles & Company.

WESTLAKE

MICHAEL G. JOSLER, CPA, was hired to the tax department at Corrigan Krause CPAs.

WOOSTER

CYNTHIA M. POLOVICH, CPA, was hired as a supervisor by Walthall CPAs.

YOUNGSTOWN

ANDREW BOYLE was hired as a staff accountant, accounting and auditing, at Cohen & Company.

Showcase your organization; support the future of the profession



The Ohio CPA Foundation offers a variety of ways to showcase your organization and support the next generation of CPAs. As a corporate sponsor of the Foundation's student initiatives, you can create more visibility for your organization, connect directly with students and support the future of the CPA profession by helping the Foundation grow its impact throughout the state.

The Foundation's programs reach students at the high school level through college. Current programs include:

High School Accounting Career Days

These regional events bring area high school students together to explore CPA career opportunities and the benefits of earning a degree in accounting. Hosted on university campuses, the career days reach students as they are making critical decisions related to college and their future careers.

ACAP-Ohio

This is a one-week summer residency program for minority high school students. Hosted at The Ohio State University annually in June, ACAP-Ohio gives 45 high-achieving students an in-

depth look at the accounting profession and introduces them to CPA role models representing a variety of career paths.

ASPIRE!

These regional events for community college students majoring in accounting and business help students understand the benefits of pursuing the CPA credential and the educational requirements and steps necessary to achieve that goal.

ASCEND Leadership Conference

This two-day conference hosted in Columbus for minority college students

majoring in accounting offers a variety of educational workshops and sessions to help students learn strategies for enhancing professional success, explore the breadth of career opportunities in the profession, and prepare for next steps after graduation.

Student Ambassador Program

Upper-class accounting majors create opportunities on their campuses to inspire students to major in accounting and become CPAs. Currently operating on 15 campuses throughout the state, the Student Ambassadors plan events, make presentations and bring CPAs to

“It’s a great opportunity for companies to make connections with potential interns and future staff. As the recruiting landscape becomes more competitive, that’s an increasingly attractive benefit to our sponsors.”

campus to help students understand all the profession has to offer.

Sponsors of the Accounting Careers Awareness Program (ACAP-Ohio), for example, have the opportunity to provide speakers for classroom sessions, introduce students to their organization through on-site tours, and provide college scholarships in their organization’s name. The opportunity also aligns with many organizations’ own diversity and inclusion initiatives.

“We strive to give our sponsors access and visibility with students,” said Karen

West, executive director of The Ohio CPA Foundation. “Hearing from and meeting with individuals from various firms and companies are great ways for students to learn about career opportunities and to envision where they may want to work.

“It’s also a great way for companies to make connections with potential interns and future staff. As the recruiting landscape becomes more competitive, that’s an increasingly attractive benefit to our sponsors.”

Corporate sponsors are also recognized and promoted to OSCPA

members through a variety of OSCPA’s educational events, publications, and on the Foundation’s section of OSCPA’s website.

Help us build awareness for the CPA profession in your local area – while creating more visibility for your organization. For more information about sponsorship opportunities with The Ohio CPA Foundation, contact Jerad Wood, development coordinator, at jwood@ohiocpa.com or call (800) 686-2727, ext. 315.

Check off on your OSCPA dues statement for The Ohio CPA Foundation



Member support is critical to the success of the Foundation’s career awareness programs.

Your \$50 dues check-off contribution ensures that students understand the benefits of becoming a CPA through programs like ACAP-Ohio, Student Ambassadors and High School Accounting Career Days.

When you pay your OSCPA membership dues, please check off for The Ohio CPA Foundation. Or, contribute now at www.OhioCPAFoundation.org. Your gift will make a difference!



For more information or to make your contribution online, please visit www.OhioCPAFoundation.org.

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 27 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

Members	\$20
Nonmembers	\$40

Exams remain available online – and may be completed for CPE – through the same month of the following calendar year.

Online Instructions

1. Go to <https://store.ohiocpa.com>. Log in to receive the member rate.
2. Click on "Voice Self Assessments." This will provide links to all active exams through the OSCPA Store.
3. Purchase the exam.
4. 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."
5. 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) |

REGISTRATION INFORMATION

Full Name: _____

Member ID _____

(Your member ID is located in the upper left of the mailing label on the front cover)

Email: _____

Business Name: _____

Business Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____

PAYMENT INFORMATION

CHECK ENCLOSED: Make checks payable to The Ohio Society of CPAs

CREDIT CARD TYPE: PERSONAL CARD FIRM CARD

Visa MasterCard American Express Discover

Credit Card #: _____

Expiration Date: _____

Name on Card: _____

Are you . . . (check all that apply)

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

Celebrate 34 years of the R&D tax credit by using it

1. In which year was the R&D tax credit first enacted?

- A. 1982
- B. 1983
- C. 1981
- D. 1985

2. Although more than \$7.5 billion in R&D credits are claimed in the U.S. annually, ____% of the businesses taking the credit have \$250 million or more in gross receipts.

- A. 90
- B. 80
- C. 85
- D. 70

3. What does research and development constitute for purposes of the R&D credit?

- A. Product engineering
- B. Product testing
- C. Feasibility analysis
- D. All of the above

4. Under IRC 174, an activity must meet a four-part test to qualify as a research and development activity. Which of the following is NOT an element of this four-part test?

- A. The activity must be technological in nature.
- B. The activity must be new to the world.
- C. The activity must eliminate uncertainty.
- D. The activity must include a process of experimentation.

5. Which of the following would not be considered a qualified research expense?

- A. W-2 wages of company personnel who are directly involved in, supervise or support research and development activities.
- B. Supplies incurred by the company in its research and development activities.
- C. Contract research performed for the company as part of its research and development activities.
- D. Travel costs associated with the company's research and development activities.

6. There are two different ways to compute the research and development tax credit. These include the Regular Research Credit and the ____.

- A. Qualified Research Credit
- B. Qualified Development Credit
- C. Alternative Simplified Credit
- D. Alternative Credit

Absorption vs. marginal costing: Who is the winner and does it matter?

7. Absorption costing is also known as this type of costing:

- A. Full costing
- B. Marginal costing
- C. Average costing
- D. Standard costing

8. Absorption costing treats the costs incurred in manufacturing as these types of costs:

- A. Standard costs
- B. Product costs
- C. Customer costs
- D. Period costs

9. Which of the following differences exist between absorption and marginal costing?

- A. Fixed overhead is treated differently under the two costing methods.
- B. The presentation of costs in the income statement varies between the two costing methods.
- C. They are no fundamental differences between absorption and marginal costing.
- D. Answers A and B are correct.

10. An issue with absorption costing is that it tries to allocate fixed overhead by attempting to make it a ____, which can in itself create a lot of issues.

- A. Fixed cost
- B. Variable cost
- C. Product cost
- D. Marginal cost

Cybersecurity threats: It is no longer if, but when

11. Which of the following was mentioned as a way companies can become better prepared to handle cybersecurity threats?

- A. By making strategic IT investments
- B. By creating effective operational strategies
- C. By getting buy-in from the CEO on the importance of limiting cyber-security threats and attacks
- D. All of the above.

12. Companies should consider the answers to five questions when assessing whether the company is prepared for a cyber-attack. Which of the following is not one of these five questions?

- A. Who have we identified as our threats?
- B. Where is our critical data and how it is protected from these threats?
- C. How have we aligned our cyber-security approach to our business and organizational strategies?
- D. How are we evolving our cyber-security approach to best match our internal capabilities?

Classified ads

Accounting Practices for Sale

Accounting Practice Sales specializes in the sale of CPA firms and accounting & tax practices. Our marketing and consulting services are focused exclusively on the accounting professional. We provide guidance and assistance in selling your practice, merging with another firm, establishing a practice continuation plan, growing an existing business or acquiring a new practice.

CPA Firms for Sale (location / listing # / revenue)

- Central Ohio: **Columbus area:** OH2050: \$315k
- Central Ohio: **Columbus area:** OH2059: \$125k
- Central Ohio: **Columbus area:** OH2060: \$900k
- Central Ohio: **Columbus area:** OH2062: \$80k
- Central Ohio: **Columbus area:** OH2064: \$325k
- Northeast Ohio –**Cleveland area:** OH2067: \$2,400k
- Northern Ohio: **Sandusky county:** OH2058: \$275k
- North Central Ohio: **Wyandot county:** OH2057: \$65k
- Northeast Ohio: **West of Cleveland:** OH2035: \$570k
- Northeast Ohio: **Ashtabula County:** OH2048: \$225k
- Northwest Ohio: **Between Toledo and Dayton:** OH2065: \$900k
- Southwest Ohio: **Cincinnati area:** OH2045: \$200k
- Western Ohio: **Firm looking for partner:** OH2053: \$1,450k
- Western Ohio: **north of Dayton area:** OH2063: \$1,230k
- Western Ohio: **partner / merger opportunity:** OH2066: \$2,900k

Visit www.AccountingPracticeSales.com to inquire on details.

Do you need an exit strategy or practice continuation plan? Are you thinking of selling? If so, please contact us for a FREE, no obligation consultation and business valuation. Email steve@APSmidwest.com or call (800) 272-7355.

DO YOU HAVE INCOME TAX DEDUCTIONS HIDING IN YOUR BUILDING?



- Cost Segregation
- Energy Efficiency Certifications (179D)
- New IRS Repair v. Capitalization



Call Craig Miller
Cleveland 440.892.3339 / Columbus 614.949.4185
Detroit 248.752.7433
or visit our website www.costsegexperts.com

THE REGION'S LEADING INCOME TAX REDUCTION EXPERTS

OPPORTUNITY

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.

Find out more at cgma.org



(614) 832-9379

Take your tax debt problems with IRS to U.S. Tax Court for resolution.

Attorney-CPA admitted to practice in U.S. Tax Court and U.S. Supreme Court.

- Member Taxation Section, American Bar Association
- Member Ohio Bar Association

cwilburn@columbus.rr.com | (614) 832-9379

Advertisers Index

Accounting Practice Sales	28
Attorney-CPA	29
Becker CPA Review	22
CompManagement, Inc.	17
Duffy + Duffy Cost Segregation Services, Inc.	28
Intuit/Quickbooks (RPA Advertisers)	32
Oswald Companies	2
PNC Bank	31
Premier Social Security Consulting, LLC	2
Research Credit Group (RCG)	16

Knowing you need help is a good sign.

Knowing where to find it is even better. Find it here!

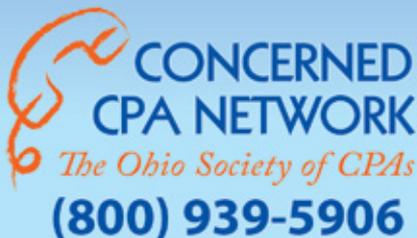
Are you struggling with alcohol, substance abuse, depression, or stress, but don't know where to turn?

Call **(800) 939-5906** today.

You'll be connected to one of the volunteer members of The Ohio Society of CPAs Concerned CPA Network.

They are fellow practitioners who have overcome similar struggles or have assisted someone else in addiction struggles. They care about helping CPAs, exam candidates and accounting students get the kind of assistance they received.

For more information on the Concerned CPA Network, call (800) 939-5906 or go to www.ohiocpa.com/ccn.



ADVERTISE IN CPA VOICE



Advertising with The Ohio Society of CPAs means having the opportunity to provide great resources to 21,000 CPAs and accounting professionals in Ohio. Build valuable and rewarding relationships with Ohio's business leaders.

Become an advertiser with The Ohio Society of CPAs. Contact:

Thera Wright

Manager of Strategic Relationships

Phone: (800) 686-2727

Email: sales@ohiocpa.com

www.ohiocpa.com/advertise

59 new members and affiliates applied in January

The list of new members and affiliates is available on The Ohio Society of CPAs' website at www.ohiocpa.com.

CPA VOICE

The Ohio Society of Certified Public Accountants

EDITORIAL ADVISORY COMMITTEE

CHAIR

Marie Brilmyer, CPA
SS&G, Akron

MEMBERS

Linda Cavanaugh, CPA
Dayton Power & Light Co, Dayton

Mark R. Davis, CPA
Plante & Moran PLLC, Cincinnati

Sharon L. Dehn, CPA
Medical Mutual of Ohio, Cleveland

David M. DiCillo, ABV, CPA
DiCillo & Associates, Inc., Broadview Heights

Adam L. Garn, CPA
Zaino Hall & Farrin LLC, Columbus

Shawn P. Hannegan, CPA
First Financial Bank, Cincinnati

W. Bruce Holt, CPA
UBS Financial Services, Columbus

Christina N. Klein, CPA, CGMA
KeyCorp, Cleveland

Daniel F. McCartney, CPA
Daniel F McCartney CPA, Sharon Center

John W. McKinley, CPA
Ithaca College, Ithaca

Jeffrey V. Schmitt, CPA
Grote Enterprises, LLC., Cincinnati

Mark A. Welp, CPA
Ary Roepcke Mulchaey, P.C., Columbus

EDITORIAL OFFICES

CPA Voice
535 Metro Place South | P.O. Box 1810 |
Dublin, OH 43017-7810
Tel: (614) 764-2727 | Fax: (614) 764-5880
Email: CPAVoice@ohiocpa.com
Website: www.ohiocpa.com

ARTICLE SUBMISSIONS

We welcome submissions of analytical articles on issues relevant to Ohio CPAs. Desired length is 500-800 words. Send an electronic copy with a cover letter to the editor at the email address above. Please note that *CPA Voice* is not a peer-reviewed journal.

REPRINTS

To order reprints of *CPA Voice* articles, or for reprint permission, contact the editor at the address above.

SUBSCRIPTIONS/CIRCULATION

Members of The Ohio Society of CPAs receive *CPA Voice* as a member benefit. Nonmembers may subscribe for \$39.95 annually. To update your mailing address or to subscribe to *CPA Voice*, contact *CPAAnswers*, the member service center, toll-free at (888) 959-1212 or via email, cpanswers@ohiocpa.com.

ADVERTISING

For our display advertising rates or a copy of our media kit, contact us at sales@ohiocpa.com or by calling (800) 686-2727.

EXECUTIVE EDITOR

Amy Johnson, CAE, ajohnson@ohiocpa.com

MANAGING EDITOR:

Sandy Spieker, CAE, sspieker@ohiocpa.com

EDITOR:

Gary Hunt, ghunt@ohiocpa.com

GRAPHIC DESIGN:

Jill Ellis, jellis@ohiocpa.com
Shannon Beis, sbeis@ohiocpa.com

THE OHIO SOCIETY OF CPAs 2014-2015 EXECUTIVE BOARD

CHAIR OF THE BOARD

Mark A. Van Benschoten, CPA
Rea & Associates, Inc.

Teresa S. Haught, CPA
ArtsWave

CHAIR-ELECT

Thomas M. Zaino, CPA, J.D.
Zaino Hall & Farrin LLC

Kathleen M. Hoover, CPA
Corbets & Associates

PAST CHAIR

Robert G. Zunich, CPA, ABV
Barnes Wendling CPAs Inc.

Timothy B. Michaels, CPA
TimeLess Consulting LLC

VICE CHAIR, FINANCE

Robert A. Bosak, CPA
Kaplan Trucking Company

Kent D. Pummel, CPA/ABV CVA
Clark Schaefer Hackett & Co

PRESIDENT AND CEO

Scott D. Wiley, CAE
The Ohio Society of CPAs

Sandra B. Richtermeier, CPA, CMA, Ph.D
Xavier University

DIRECTORS

Marie A. Brilmyer, CPA
SS&G, Inc.

Eileen R. Sass, CPA
Sass Accounting Services LLC

Kendra P. Smith, CPA
Grant Thornton LLP

John J. Venturella, CPA
Clark Schaefer Hackett & Co.

Summer D. Cogar, CPA
RG Barry Corp

Owen J. Wyss, CPA
Sandvik Hyperion

Paul R. Etzler, CPA
Skoda Minotti CPAs

CPA Voice is the official magazine of The Ohio Society of Certified Public Accountants ("The Ohio Society of CPAs"). *CPA Voice's* purpose is to serve as the primary news and information vehicle for the more than 21,000 Ohio CPA members and professional affiliates. Articles are reviewed for technical accuracy. However, the materials and information contained within *CPA Voice* are offered as information only and not as practice, financial, accounting, legal, or other professional advice. While we strive to present accurate and reliable information in regard to the subject matter covered, The Ohio Society of CPAs makes no warranties regarding the accuracy of the information provided herein. Readers are strongly encouraged to conduct appropriate research to determine the accuracy of the information provided and to consult with an appropriate, competent professional advisor before acting on the information contained in this publication. The statements of fact, thoughts, advice, and opinions expressed in *CPA Voice* are those of the authors alone and do not represent or imply the Positions, opinions, nor endorsement by The Ohio Society of CPAs or of its publisher, editors, Executive Board, or members. It is our policy not to knowingly accept advertising that discriminates on the basis of race, religion, sex, age, or origin. The Ohio Society of CPAs reserves the right to reject paid advertising in its sole discretion. We do not necessarily endorse the resources, services or products unrelated to The Ohio Society of CPAs that may appear or be referenced within *CPA Voice*, and make no representation or warranties about those products or services or the accuracy and claims regarding those products and services. Advertisers and their agencies assume liability for all advertisement content and responsibility for all claims resulting from such advertisements made against The Ohio Society of CPAs.

The Ohio Society of CPAs does not guarantee delivery dates for *CPA Voice* and disclaims all warranties, express or implied, and assumes no responsibility whatsoever for damages incurred as a result of delivery delays.

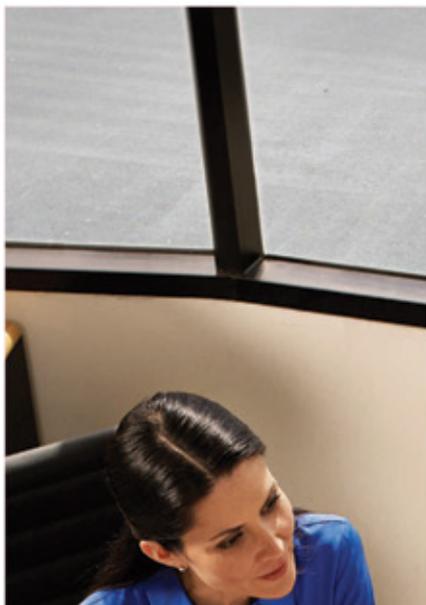
CPA Voice (ISSN 0749-8284) is published monthly May, June, July, August, September, October, November and December with two combined issues in January/February and March/April. It is published by The Ohio Society of CPAs, 535 Metro Place South, P.O. Box 1810, Dublin, OH 43017, (614) 764-2727, or (800) 686-2727, fax (614) 764-5880. Subscription price for non-members: \$39.95.

Copyright © 2015 by The Ohio Society of CPAs; all rights reserved. No part of the contents of *CPA Voice* may be reproduced by any means or in any form, or incorporated into any information retrieval system without the written consent of *CPA Voice*. Permission requests may be sent to the Editor at the address above. While care will be given to all materials submitted for publication, we do not accept responsibility for unsolicited manuscripts, and they will not be returned unless accompanied by a self-addressed postage prepaid envelope.

Periodicals postage paid at Dublin, OH and at additional mailing offices. POSTMASTER: Send address changes to: *CPA Voice*, The Ohio Society of CPAs, 535 Metro Place South, P.O. Box 1810, Dublin, OH 43017.

GET MORE

insight into your cash flow projections next week, next month and beyond.



ONLY WITH CASH FLOW INSIGHT™

powered by PNC CFO

With this unique suite of online tools all working together, you give clients more convenient ways to pay, and can schedule invoices and automatic reminders, to allow for more steady receivables throughout the year. Get more comprehensive and convenient document management, all in one place. Get more time by syncing with your accounting software like QuickBooks®. So you can get more visibility into your current and future cash flow.

VISUALIZE CURRENT AND PROJECTED CASH POSITION + AUTOMATE INVOICING + MANAGE AND STORE DOCUMENTS ONLINE + SYNC WITH ACCOUNTING SOFTWARE

PNC|CFO™
Cash Flow Optimized

Try it at no cost today Stop by any PNC branch, call a Cash Flow Insight Consultant at 855-762-2361 or go to pnc.com/cashflowinsight.*



QuickBooks® is a registered trademark of Intuit®, Inc.

*Cash Flow Insight requires a PNC business checking account and enrollment in PNC Online Banking. Free trial offer valid for Cash Flow Insight and for additional tools (Receivables, Payables and Accounting Software Sync) for your current statement cycle period and two additional statement cycles. One free trial period per customer. For supported accounting software and other information, visit pnc.com/cashflowinsight. Monthly charges will apply unless you un-enroll. Cash Flow Optimized and Cash Flow Insight are service marks of The PNC Financial Services Group, Inc. ©2015 The PNC Financial Services Group, Inc. All rights reserved. PNC Bank, National Association. Member FDIC

The NEW QuickBooks® Online Accountant. All your clients. Always accessible.



It's your time. Use it more efficiently and get back to what you really love: your clients.

Client Dashboard

Quickly move through your client list with the click of a button. Access client information and solve their problems, all from one place.

Accountant Toolbox

Easily access all of your most-used features with a new Toolbox so you can spend less time clicking and more time helping your clients.

Document Center

Share and edit client documents quickly and easily so you can stay organized and spend more time helping your clients.

Free for Accountants | Sign up at NewQBOA.com

