

May/June 2015

CPA VOICE

The Ohio Society of Certified Public Accountants

6 FASB seeks simple solutions

8 Check your readiness for the C-suite

14 How to survive a Reasonable Compensation challenge

24 The Ohio CPA Foundation boosts future CPAs

A man with a shaved head is lying in bed, propped up on his left arm. He is looking intently at a smartphone held in his right hand. His right hand is also resting against his forehead, suggesting stress or deep concentration. The background is a plain, light-colored wall.

WORK/LIFE BALANCE BEGINS WITH DEVICE DISCIPLINE 10

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THE OHIO
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OF CPAS



Delivering on our brand promise

This month, I hosted OSCPA's first Business Excellence Symposium. The event drew CPA leaders from across Ohio and addressed some of the most challenging issues our members are facing, including branding, driving business development and how to innovate in a challenging economy.



These are topics your Board and Ohio Society of CPAs staff have been discussing and are weaving into a larger OSCPA strategic plan that we think will increase your membership return on investment.

What are we working on?

We are aligning our mission and brand to better serve CPAs and accounting professionals in today's changing marketplace. Earlier this year, we conducted independent research and the results were eye opening. It showed that OSCPA's reputation among CPAs and accounting professionals is solid, but it also uncovered areas of opportunity.

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followed suit. OSCPA launched its Quick Bytes On-Demand products, making it easy for CPAs to earn credit or get a quick technical update in the office or on the go.

There are other, behind-the-scenes improvements that will make your life easier. For example, we are piloting the ability to upload credit from OSCPA courses you take to the Accountancy Board of Ohio's CPE transcript tool. That saves you time and headaches when it's your year to report.

Our team has culled through hours of focus group transcripts with business decision makers to understand what specific resources you need to grow your business — an area you told us is a key challenge. We're using this intelligence to design learning programs for CPAs and their extended teams around critical technical topics. That includes deeper dives for beginning and intermediate level professionals.

We're also zeroing in on programs our corporate members need, and will be building a suite of talent management programs to help you cultivate high performing teams.

Finally, we have narrowed the scope of The Ohio CPA Foundation to drive awareness for CPA careers among students, and are working closely with universities on initiatives to give employers greater access to a quality and more diverse accounting talent pool.

Aligning our efforts with your challenges creates more value for CPAs and those who work for them. Later this year, we will unveil a new brand that more accurately reflects what The Ohio Society of CPAs is becoming. We've appreciated your input as we've moved through this process. It's clear that our members care deeply about The Ohio Society's brand and want to see it evolve into something more dynamic and reflective of the changing marketplace. That's our goal too, and I'm excited to deliver on that promise.



IMPACT

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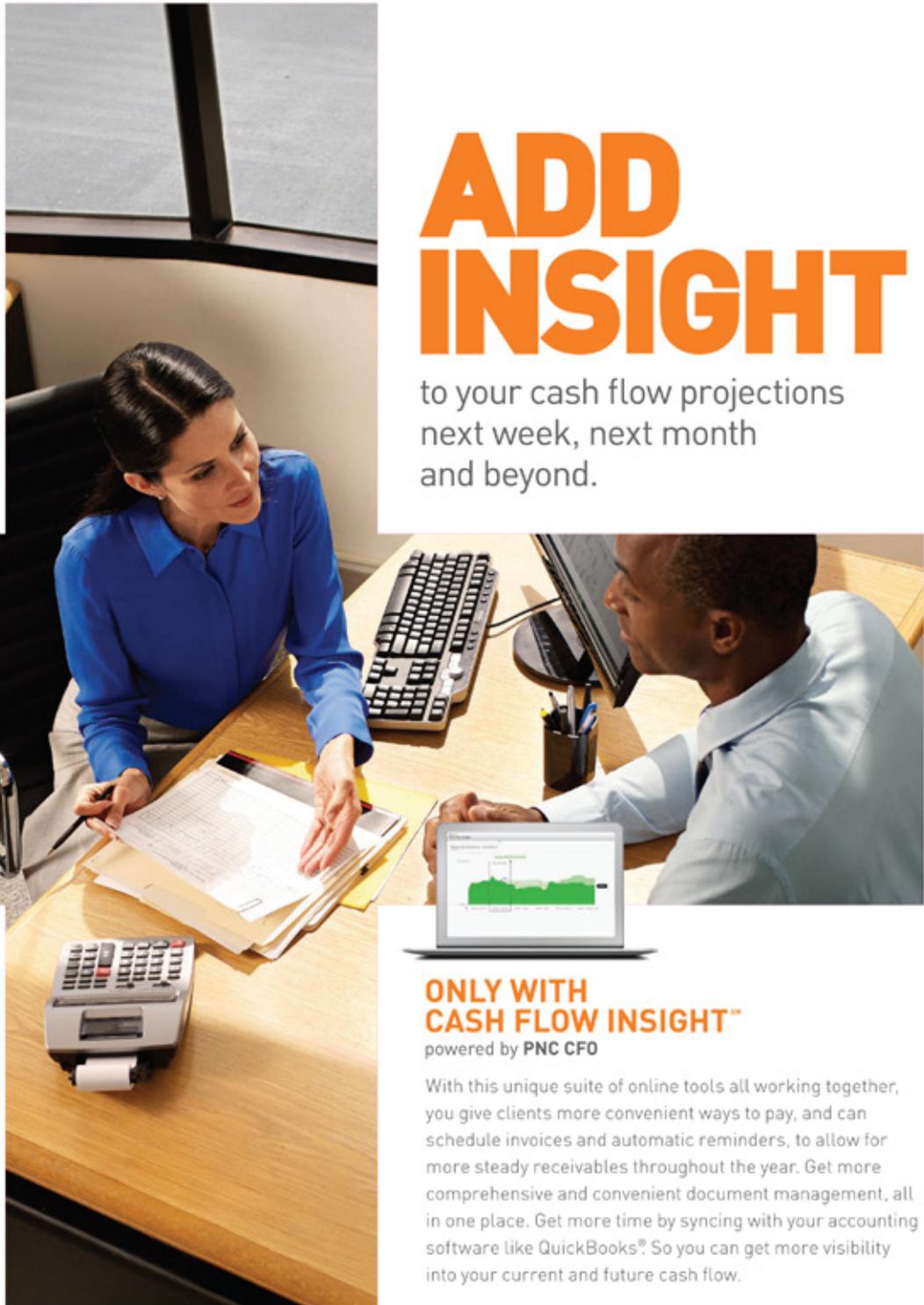
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Simplifying accounting standards: An update on FASB Simplification Initiative

By Laura Hay, CPA, CAE



CPAs are excited about FASB Chair Russell Golden's priority project. It will identify opportunities to reduce complexity, while maintaining or improving decision usefulness of U.S. accounting standards.

Launched in June 2014, the Simplification Initiative seeks to identify narrow-scope simplifications and improvements to accounting standards. By addressing narrow topics with a short-term project approach, FASB is able to rapidly respond to the concerns of constituents about cost and complexity, while also weighing the needs of users and investors.

All projects added to the Simplification Initiative were the result of ideas submitted by stakeholders. While the original intent of the project was to find narrow areas for simplification that would not reduce decision quality, one surprise of the project was that in the majority of cases, information quality to users could be improved while still lowering costs. Outreach is made to investors and users on all projects.

Is the Simplification Initiative FASB's response to the success of the work of the Private Company Council (PCC)?
PCC is one of many stakeholders advancing ideas to the



TAKEAWAYS

- ▶ FASB Chair Russell Golden wants to reduce complexity, while maintaining or improving decision usefulness of U.S. accounting standards.
- ▶ FASB's Simplification Initiative agenda includes a number of narrow-scope projects, such as simplifying the measurement of inventory, accounting for income taxes, presentation of debt issuance costs, measurement date of defined benefit pension plan assets, balance sheet classification of debt and stock-based compensation.
- ▶ The concept of extraordinary items has been eliminated, simplifying income statement presentation. While not identified in the Simplification Initiative, the recently completed FASB projects of discontinued operations and development stage entities simplified other elements of GAAP.
- ▶ The FASB is still welcoming recommendations for additional simplification projects.

process and responding to concepts suggested by other stakeholders. However, conclusions of the PCC may have applicability to additional entities that will be considered in the process.

Read more about PCC projects that reduce complexity for private companies at <http://www.fasb.org/pcc/projects>.

Was the Simplification Initiative driven by FASB's international convergence efforts?

Alignment with international and other accounting standards is one of the data points FASB considered in the simplification projects. For projects discussed thus far, some would increase consistency with international standards, some would decrease consistency, and some address topics not covered by international or other standards.

Will the criteria for considering alternatives for reducing complexity be applied in the development of new standards as well?

With this consideration in mind, FASB has reallocated staff resources and board time to Conceptual Framework projects, including the process for selecting disclosure requirements.

CURRENT PROJECTS

The following narrow-scope projects are now on FASB's Simplification Initiative agenda:

Simplifying the measurement of inventory: The proposed update issued for comment in July 2014 addresses current guidance on measuring inventory by requiring organizations to estimate only net realizable value.

Accounting for income taxes: The board in January issued an exposure draft of two proposed updates:

- Eliminating the requirement for organizations that present a classified statement of financial position to classify deferred tax assets and liabilities as current and

noncurrent, and instead require that they classify all deferred tax assets and liabilities as noncurrent

- Eliminating the prohibition on the recognition of income taxes for transfers of assets from one jurisdiction to another

Presentation of debt issuance costs:

The project is expected to align the presentation of debt discount or premium and issuance costs.

Measurement date of defined benefit pension plan assets:

The project is expected to align the measurement date of defined benefit pension plan assets with the date that valuation information is provided by third party service providers.

Balance sheet classification of debt:

The project is expected to replace the existing fact-pattern specific guidance with a principle to classify debt as current or noncurrent based on the contractual terms of a debt arrangement and an organization's current compliance with debt covenants.

Stock-based compensation:

The project addresses some relatively narrow simplifications and improvements to accounting for stock compensation to employees.

Additional projects in which the FASB is looking to simplify accounting standards and reduce cost and complexity in financial reporting include:

- Clarifying certain existing principles on the Statement of Cash Flows.
- Accounting for financial instruments – hedging.
- Short-term improvements to guidance for financial instruments with characteristics of liabilities and equity.

COMPLETED PROJECTS

While not identified in the Simplification Initiative, the following recently completed FASB projects simplified some elements of GAAP:

Discontinued operations: The standard revises the criteria for reporting a

discontinued operation to more faithfully represent when a company discontinues an operation, resulting in more useful financial reporting, while reducing cost and complexity.

Development stage entities: The standard provides for more consistent consolidation analyses and decisions among public and private development stage organizations. This standard also provides more relevant information for users, while providing opportunities for cost savings.

COMPLETED PROJECTS - SIMPLIFICATION INITIATIVE

Extraordinary items: This update eliminates from GAAP the concept of extraordinary items, simplifying income statement presentation.

Read more at <http://www.fasb.org/simplification>.

Have an interest in/idea for this initiative?

FASB is still welcoming recommendations from stakeholders for additional simplification projects. You can email your suggestions to fasbcomments@fasb.org.

As exposure drafts are issued, individuals as well as groups are encouraged to submit comments to help develop and hone proposals to become final standards. Comments agreeing with proposed changes help inform the process as well as those in disagreement. With FASB's online feedback tool, comments can be submitted freeform in just a few minutes (recognizing, of course, that all comments are published on the FASB website.)

Laura Hay, CPA, CAE is executive vice president of The Ohio Society of CPAs and staff liaison to the Accounting & Auditing Committee. She can be reached at lhay@ohiocpa.com or (800) 686-2727, ext. 322.

Five questions to ask before applying for a C-suite job

By Neil Amato



The way you interview for a job today is likely different from how it was 10 or even five years ago. Skype and other video tools have changed the landscape; LinkedIn is among several social networking sites that make it possible to establish connections and demonstrate expertise across continents.

Also different: the steps taken to obtain a high-level position compared with the path of the entry-level job-seeker.

Companies looking to hire their next CFO or CEO won't use the same process they used to hire a staff accountant; those seeking the office with a view need to tailor their search accordingly.

Robert Half Management Resources offered these five questions specifically for executive candidates embarking on a job search:



TAKEAWAYS

Robert Half Management Resources offered these 5 questions specifically for executive candidates embarking on a job search:

1. How visible are you?
2. How solid is your network?
3. What are your geographical boundaries?
4. What's your leadership and communication style?
5. What's your timeline?

1

How visible are you? These days, establishing yourself as an expert is easier with online platforms for articles and blog posts. Consider taking a board position with a professional association or not-for-profit.

2

How solid is your network? Most leadership hires don't come about without at least a warm introduction from a shared connection. Consider adding a recruiter to your network and making sure you are connected to people across industries and responsibility levels. In other words: diversify.

3 What are your geographical boundaries?
Candidates need to be honest with themselves about where, or whether, they'd consider moving for a job.

4 What's your leadership and communication style?
As the role of the finance professional expands, executives must demonstrate the ability to communicate with numerous internal and external stakeholders. Candidates should address any weaknesses in these skills before embarking on a search.

5 What's your timeline?
Leadership roles are not filled quickly. Be prepared for a longer process. One reason the process takes time is addressed in a CGMA report that shows how the skills valued by CEOs, CFOs, and HR directors often are quite

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different. Plus, for an executive job, you're likely to interview with many more people within the company.

"At the executive level, there are fewer job opportunities and there's more at stake for the companies doing the hiring," Paul McDonald, senior executive director of Robert Half, said in a news release. "Networking isn't just a supplemental job hunting tactic at this point – it's the primary tactic. It's all about reputation and who you know."

McDonald said that having a mentor can be vital to a job search.

"Mentors are not just for people new to the workforce – they are instrumental to senior professionals as they consider their next move," he said.

Neil Amato (namato@aicpa.org) is a CGMA Magazine senior editor. This piece was originally published in CGMA Magazine. Copyright 2015, American Institute of CPAs and Chartered Institute of Management Accountants.

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Turn the device off. Reclaim your life. You can do it.

By Adam Chaikin, CPA/CITP, CGMA



Few phrases have entered business speak that have been more overused than the term “work-life balance” (WLB). But WLB sits at the core of our daily lives as something we strive for when approaching the self and family versus career.



TAKEAWAYS

- ▶ To encourage a work/life balance, organizations have created flexible work schedules and provided mobile technology. But the response by many has been to work harder to maintain that flexibility.
- ▶ To maintain your work/life balance, set limits, tell people what they are, and stick to them.
- ▶ Limit your availability to something reasonable, depending on the urgency of the problem.
- ▶ Use the quiet-time or do-not-disturb setting to prevent interruptions after hours.
- ▶ Put the devices away. And wean yourself slowly if you're a heavy user.
- ▶ When you're with family, set the devices aside. Be a good example for your kids.

The essence of WLB recognizes that individuals have needs in their personal and private lives that, when met, can increase employee satisfaction and productivity or, when unmet, increase burnout, resentment and workforce churn. How do we approach WLB so that it's meaningful and not the punchline to a sordid joke?

I liken WLB to so many other things in life (food, alcohol, exercise) — when done in moderation, it can be fruitful, but in excess can be harmful. Striving to have a balance between what you give to an organization (your work) and

what you get from the organization (your life outside the office) is crucial to your happiness and well-being.

Consider the attributes of work — it requires commitment, involves deadlines and challenges to your ability to multi-task, work with different personalities and compete with those around you for achievement and advancement. These things all create stress. And while some stress can be productive, too much of it can be destructive to your career, personal relationships and health. The answer is moderation.

Despite our attempts to challenge the time continuum, there are only 24 hours in the day. At the start of a WLB initiative, we can consider the things we need in our lives. We need to work to support ourselves and our families, we need to spend time with our families and also have time to ourselves for enjoyment. And finally, we need to sleep. Arguably an idealistic scenario would be to split the day in thirds: eight hours of work, eight hours of family time or enjoyment and eight hours of precious sleep. Idealistic is right! Hardly anyone actually experiences this in real life. If you do, consider yourself very lucky.

Realistically, WLB needs to include commuting and traffic, cooking and cleaning, family schedules, exercise, volunteering, shopping and more. So, a more realistic split of time looks something like 12-14 hours of doing things for other people, including family, and 8-10 hours for self — including sleep, exercise and enjoyment. Unfortunately, this is not a regimen that can keep you happy or healthy. Further, the presence of smartphones in our daily lives makes the balance tilt even more egregiously toward work and less for oneself.

Think of how remarkable that metric is. Most people have 10 hours or less per day to do things they enjoy and to sleep. Considering that eight hours of sleep is recommended each night, there's not much time left for fun.

To encourage WLB, organizations have created flexible work schedules and provided all forms of mobile technology. But most flexible workers do not know where to draw the line and create balance.

I have often asked people with flexible work schedules if they feel they work more or less than their colleagues in the office. In most of the cases, people say they work more. When asked why, I have heard a variety of reasons including, "It's important that my peers know that even though I am working from home, I am still working," "I feel I need to over-compensate for work to continue to earn the privilege to work remotely," and "I don't want to lose a step to the competition."

Fancy that! The organization gives us flexibility, but the knee-jerk response is to work harder to maintain that flexibility.

“Most people have 10 hours or less per day to do things they enjoy and to sleep. Considering that eight hours of sleep is recommended each night, there's not much time left for fun.”

Enter mobile computing on smart devices

I have also asked people if the provision of a smartphone has made them more productive. The answer is a resounding yes. However, if you listen closely to the answers, you hear the truth. "I am more productive because I can be reached wherever and whenever someone needs me." "I can expeditiously resolve issues, even when I am away from my computer." "My people can find me anytime and get the answer they need!"

Again, a solution has been provided to make work better, but in practice it undermines the boundaries you have between work and your outside life. Time for a reality check again. Carrying a smartphone is now a way of life in business and professional careers. It would be foolish to think that we can reject the notion of using smart devices and remain competitive in the workplace. Business is now rapidly moving on a global basis. If you manage staff in other time zones, it is important for them to reach you directly, and a smart device is the best way to do that.

The question then becomes: How do you create realistic limits on devices so that you can strive for moderation?

If you are like me, you have had situations that you have regretted not establishing boundaries with your smart device. Have you ever been:

- In a house of worship when your phone rang?
- In a movie theater when you had to text a response to a question?
- At the breakfast table and asked your child to repeat a question because you were distracted by a message on your phone?
- Interrupted a special family event, perhaps a dinner, to take an important business call?
- Asked by your partner or child to put the device away?

Continued from page 13 ►

These have all happened to me, and I sense that you, too, are grimacing and agreeing that this happens all too often. I have had these challenges for much of my professional career, having been required to always be accessible from an early point. Now the discomfort or the embarrassment has helped me try harder and do better.

Here are a few things to consider:

- Unless you are a surgeon, it's likely not a life or death situation.
- The times you need to focus on your partner or children should always take priority over work.
- Only you can take control of this situation and it is important so you do not alienate those around you.

Smartphones are truly exceptional devices. Never in history have you been able to have such a concentrated source of breaking news and relevant

information at your fingertips. And the thrill or excitement associated with being completely in the know and current on all events is addictive. After all, in the digital age it is not what you know but when you knew it.

The ability to have all of these data sources merged on a single platform is truly spectacular. It allows you to mainline data right into your central nervous system. However, like any addiction, it is not without a cost.

Paying a price for always being 'on'

Consider the physiological response when managing your smart device.

Your brain has to perpetually switch the contexts between a huge number of items: text messages, instant messages, work email, personal email, breaking news, social media (Facebook, Twitter, Instagram, Pinterest, LinkedIn), real-time stock data, weather, etc.

What a rush you can get knowing – in one minute – that there is a 60 percent chance of rain this afternoon, mom arrived home safely, David has new Facebook pictures posted, your last tweet was re-tweeted 15 times, your profile on LinkedIn was just viewed by a prospective client and you're late for hockey practice! And what a physiological response it is, with adrenaline coursing through your veins, an elevated heart rate, extreme focus and concentration and even sweaty palms. But for what? What has elicited the fight or flight response? Nothing. This is life. And this is where the danger comes in.

Are you guilty of using your smartphone in the bathroom? Don't lie. Of course you have. Has it really come down to the fact that we can't spare two minutes to relieve ourselves? The one thing left in the world that should not require multi-tasking now does.

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Do you use your smart device or tablet right up until bedtime? And then uses the device as an alarm clock?

Have you woken up in the middle of the night to check if you have received an email?

Is it clear to see that these devices are now permeating parts of our lives that should be left unmolested?

Set limits

The best advice I have heard for dealing with boundary issues and not letting your smart device disrupt your WLB, is to set limits. There are two important parts to setting limits: letting people know what they are and adhering to them.

Limit your availability from 24/7 to something more reasonable. You might inform your coworkers that you are available from 8 a.m. to 8 p.m. each day and that you'll respond the next day to any messages left after 8 p.m. You should also tell your coworkers the types of things you need to be contacted about after hours. A widespread systems outage of your e-commerce system: urgent. Your coworkers daughter has a slight fever and he needs to work from home: not as urgent. Your coworker just sent you the cutest cat video: no comment. Set realistic expectations of your response times within and outside of office hours. Use the quiet-time or do-not-disturb setting to prevent interruptions after hours.

Adhering to your own limits is the only way for coworkers to understand you're serious about having them. If you tell people not to expect a call back after 8 p.m. and you respond to calls at 10 p.m. anyway, they won't respect your boundaries. Also, letting people know that you appreciate not being disturbed after hours reinforces good behavior.

Limit physical access

Another way to enforce limits and resist temptation is to just put the device away. Try to wean yourself off the device slowly. Like other addictions, cold turkey is a hard way to go. So first, start putting the device away 30 minutes before bed, then an hour, and so on. Also, if possible, try not to use the device as an alarm clock or have it on the bedside table. Continue the smart device etiquette by not having it be the first thing you look at in the morning. It is surely a way to get off to a very stressful start. Give yourself 45 minutes to an hour of awake time before checking your email or phone messages.

Set an example for your kids

If you have children, providing an example of good phone etiquette is important. When I received a handwritten message from my 10-year-old that was a simulated text message (Hola, IDK what's for dinner, went to walk Daisy, BRB, TTYL), I knew we needed to talk. Don't use your phone in the car, regardless of the urgency. It is important for kids to see you not text and drive. And most of all, have them see you put it away, so you can focus on them.

Get going

You can make a world of difference in your life by recognizing the impact that your smart device has on your WLB. Start by making small changes. The rush associated with having real-time access to information at all times is very enticing. Recognize the impact it is having on your relationships and your health (i.e. sleep patterns). Set reasonable limits and stick to them. And finally, if not for yourself, do it for your partner or your children. They will enjoy having your undivided attention again.

Adam Chaikin, CPA/CITP, CGMA, is founder and principal of Thought2 Execution LLC, a Virginia-based consulting firm specializing in finance, project management and ERP systems implementation. This piece was reprinted with permission from the Virginia Society of CPAs.



Let's move the needle together

The Ohio Society of CPAs works hard to move the needle on the issues that are important to you, such as:

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Surviving an IRS Reasonable Compensation Challenge

By Paul S. Hamann & Jack Salewski, CPA, CGMA



There are two ways to survive an IRS Reasonable Compensation challenge. The first is a proactive strategy, getting all your clients' ducks in a row ahead of time so you are prepared if the Reasonable Compensation figure is challenged. The second is a desperate last-minute struggle to defend a Reasonable Compensation figure that might not have any basis in reality.



TAKEAWAYS

- ▶ The best way to survive an IRS Reasonable Compensation challenge is to be proactive and prepare before such a thing ever happens.
- ▶ Create a list of all services the S Corp Owner provides for his or her company.
- ▶ Research the going hourly rates for services in your community.
- ▶ Document your findings and sources of information and file them with the final Reasonable Compensation figure.
- ▶ Adopt the findings into the corporate minutes. This simple but often overlooked step gives the Reasonable Compensation figure an added layer of defensibility.

The proactive strategy is the most successful, but does require you and your clients to immediately address the question, "What is my Reasonable Compensation Figure?" The following steps will help prepare you should an IRS challenge land on your doorstep.



Preparation:

Create a list of all the services the S Corp Owner provides for his or her company.

The courts have taken into consideration ALL the services provided by the S Corp Owner, not just their primary function or industry.

The IRS guidelines state: *“In addition to the shareholder-employee direct generation of gross receipts, the shareholder-employee should also be compensated for administrative work performed...”*

Research what the going hourly rates are for the list of services in your community. Document your findings and sources of information and file them with the final Reasonable

Compensation figure. Adopt the findings into the corporate minutes. This simple but often overlooked step gives the Reasonable Compensation figure an added layer of defensibility.

Defend:

Congratulations! You and your clients were proactive. Go pull that file you created a few years earlier with the research and documentation backing up your client’s Reasonable Compensation figure.

Grab the corporate minutes and meeting notes. This will probably be one of the first things the examiner will ask for.

Lay out this information next to the corporate minutes where the research, documentation and final Reasonable Compensation figure was adopted by the S Corp.

At this point your examiner should check the issue off his or her lead sheet, and move on to other issues. After all, you have done what the IRS wanted – paid Reasonable Compensation for the services provided to the S Corp. In addition the Reasonable Compensation figure was adopted into the corporate minutes. You have made it next to impossible for the examiner to successfully challenge the Reasonable Compensation figure.

The last minute struggle:

If the S Corp owner did not research and document his

Continued on page **16** ▶

“ Don’t just procrastinate and pray – research and document Reasonable Compensation each year. The process of determining a Reasonable Compensation figure can be frustrating for S Corp owners, simply because they don’t understand what you, as their adviser, are looking for. They don’t understand the rules or the game, but you do. ”

Continued from page 15 ►

or her Reasonable Compensation figure in the year being challenged, you have two options:

Acceptance – Accept what the IRS examiner is proposing, pay your tax, penalties and interest (usually in the neighborhood of twice the original tax that would have been owed), lick your wounds and move on.

Compromise – Concede the high ground. No matter what Reasonable Compensation figure you present to the examiner, it will be suspect. The examiner is aware that the figure you are presenting was most likely built to defend a Reasonable Compensation figure that was pulled out of thin air, or counter the figure they are proposing.

Create a list of all the services the S Corp Owner provides for his or her company for the year(s) in question. These are the same steps as the Proactive strategy, but now your client has to try and remember what they were doing in the year(s) in question.

Research what the going rates for the list of services were, for the year(s) in question, in your community. Document your findings and sources of information.

Compromise. Usually the Reasonable Compensation figure you came up with in the last step falls somewhere between the figure originally submitted to the IRS and the figure the IRS examiner is proposing. Now the challenge. At this point the best negotiator normally prevails and a compromise is struck.

Our advice to you and your clients: don't procrastinate and pray – research and document Reasonable Compensation each year. The process of determining a Reasonable Compensation figure can be frustrating for S Corp owners, simply because they don't understand what you, as their adviser, are looking for. They don't understand the rules or the game, but you do. Advising on Reasonable Compensation is a win-win for you and your clients. Your clients will have a defensible position should a Reasonable Compensation challenge come their way, and you build credibility as a trusted adviser, with the added benefit of a new service offering for your practice.

Paul S. Hamann is the founder and president of RCReports.com, an online application that determines reasonable compensation for S corps, small and closely-held business owners. Jack Salewski, CPA, CGMA, is vice president of education for RCReports.com. He is an expert on the topic of reasonable compensation as it applies to S corps, small & closely-held businesses.



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No job offer? Sometimes it's not your fault

By Janice Worthington, MA, CPRW, JCT



This time you really did knock it out of the park in your job search. You delivered a stellar performance with your strategically-prepared résumé, your optimized social media appearance, an impressive leave-behind portfolio... even an invitation to headquarters with four compelling interviews. There were discussions of future initiatives with you at the helm, and immediate compatibility with potential compensation.

Your background was checked and your references were called; then you waited... for a job offer that never came. Instead you received the letter indicating the decision to “go a different direction” with the position.

If you thought you were a “sure thing” and nothing happened the following scenarios might explain why:

The hiring authority might have assumed a different role or exited the company completely and thus created a communication gap in the hiring process. You might have

been seduced by a hiring manager in the midst of his or her own job search; in volatile times, nothing should surprise you. I have always compared this phenomenon to a breakdown of a company’s “hiring nervous system,” because the left hand can no longer transmit information to the right hand. What is unfortunate is that any sensitivity to your job offer has gone numb.

The company implemented a hiring freeze. When companies such as Disney announce a hiring freeze, headlines are

Continued on page 20 ►

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Continued from page 20 ►

made. But when smaller corporations or privately-held companies suddenly “freeze,” their own employees might never be told, much less the candidate whose interview so impressed 24 hours before the announcement. One of our candidates actually received an offer in October that was put on hold until the newly-hired divisional president surveyed his current teams and approved the new addition. Her starting date was in January.

The current employee accepted the counter offer. This is another interesting situation that happens more often than we know, and while this revelation places that particular employee’s future on the list of what bosses call “diminishing returns,” the brakes are applied to any candidates under consideration. A currently employed, patient candidate might keep in touch and wait for availability, but there’s no guarantee

the company won’t start over later and conduct a fresh search.

An internal candidate wins the offer.

There is always a chance that a deserving team member wins a promotion, thus preventing your entry into the organization. Though companies might consider outside talent, all things equal, it’s difficult to get ahead of an internal high-achiever. There’s much less risk associated with the proven associate, and established positive relationships do count for something.

The position was re-classified. Staffing has become so fluid that specifications required to fill a position can change at a moment’s notice. Whether based on the candidate evaluations, budget constraints or the changing dynamic within a department, even during the final hours of the search process, employers can simply change their minds about who they want to bring on board. Or they can totally eliminate the search.

The lesson here is twofold. If the offer doesn’t come, it might not have been your fault, so don’t beat yourself up! You might have been the perfect candidate in a particular hiring event, but because of outside forces, you still might not get the job. It can happen to anyone. Sadly, companies are under no obligation to tell you what happened to your once promising future.

Second, never place too much value on any one opportunity. If you have enough irons in the fire, the realization that one isn’t going to come through won’t leave you feeling quite so hurt, and you will have other events for which to prepare. You’ll also get hired sooner!

Life’s not always fair, but getting hired is still a numbers game; the more you have happening, the sooner someone will ask, “When can you start?”

Janice Worthington, MA, CPRW, JCT, is the president of Worthington Career Services, a resume and job search consulting firm that provides strategic career coaching to professionals at all levels of the corporate ladder.

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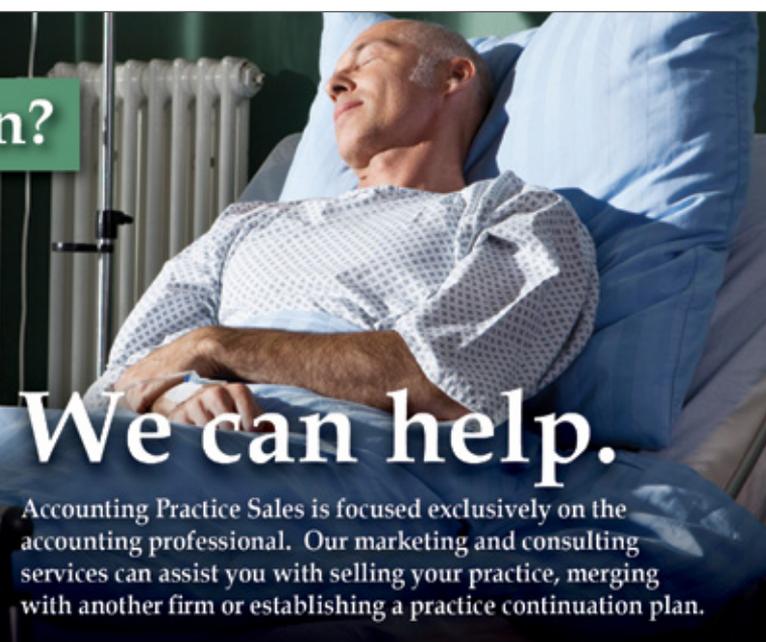
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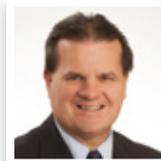
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AKRON

RACHEL L. BRANDT, CPA, MACC, has been hired as a manager in assurance and advisory services at Bober Markey Fedorovich.

AMY L. CICCOTELLI, CPA, has been hired as a manager in taxation services at Bober Markey Fedorovich.

KAREN J. COSTANTINI, CPA, has rejoined the tax practice at Bober Markey Fedorovich.

CANTON

THERESA B. MULLEN, MT, has been promoted to state and local tax director at Bruner Cox LLP.

CLEVELAND

RICHARD T. LASH, CPA, managing partner at Walthall CPAs, was recently appointed to Cleveland State University's Accounting Advisory Board; was appointed to the Westfield Bank Community Development Board; joined the Northeast Ohio Chapter of the Crohn's and Colitis Foundation of America; and was appointed chair of the Toast of the Town fundraising event.

RANDY MYEROFF, CPA, CEO of regional CPA firm Cohen & Company, has been elected to the Greater Cleveland Partnership Board, which focuses on advocacy, economic and business development, infrastructure and physical development, and economic inclusion and minority business development efforts.

PAUL WEISINGER, CPA/ABV, CVA, partner at Walthall CPAs, has been named an associate board member of the Autism Society of Greater Cleveland.

ROB WHITTALL, CPA, ACA, managing partner at Dyke Yaxley LLC, has been named president of the British American Chamber of Commerce, Ohio (BACC Ohio) for the 2014-16 term.

NEW PHILADELPHIA

REA & ASSOCIATES, INC., was recognized by Accounting Today as a Top 100 Firm in its ranking of accounting firms nationwide. The firm ranked 98th on the list, which is published annually and is primarily determined by revenue.

MAYFIELD

COLIN SMITH, CPA, ABV, of Skoda Minotti has passed the Accredited in Business Valuation exam.

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

TIPP CITY

JOHN ALFLEN has joined Swindon Springer & Co. as a staff accountant.

STEPHEN BARGER, CPA, has been named partner at Swindon Springer & Co.

MATTHEW BRACKMAN, CPA, has joined Swindon Springer & Co. as an audit manager.

JEANETTE HUFF, CPA, has joined Swindon Springer & Co. as a senior accountant.

Foundation scholarships recognize potential of future CPAs



The Ohio CPA Foundation has awarded more than \$50,000 in scholarships to accounting students throughout Ohio. In their written essays – a required component of the application – all the recipients showed enthusiasm for accounting and excitement about embarking on careers in the CPA profession.

The selection process was competitive, said Matt Boehm, chair of the Scholarship Selection Committee.

“There are so many exceptional students in accounting today,” Boehm said. “I place a lot of emphasis on students who serve as volunteers on campus, in the community, and those who are willing to step up and serve in leadership capacities.”

Cynthia Kula, member of the selection committee, said she looks for students who “demonstrate passion and express a desire for life-long learning.” Upon reviewing the scholarship applications, Kula declared, “The future of the accounting profession is in good hands.”

The Foundation’s Statewide Scholarship Program, funded by the Statewide Scholarship Endowment, offers \$2,000 awards to students enrolled at community colleges, those from underrepresented racial and ethnic backgrounds and those attending four-year institutions.

This year, a generous \$10,000 grant from a donor fund of The Dayton Foundation meant that five additional students received \$2,000 awards.

Recipient Alex Ferrara said the scholarship will help his career.

“This scholarship allows me the great opportunity to receive my MBA and then become a CPA soon after,” he said. “These goals take time, so I am very thankful for this opportunity and am looking forward to the challenging yet rewarding future in public accounting here in Ohio.”

Wright State students rise to top for Price awards

In addition to the Statewide Scholarship Program awards, the selection committee awarded two Clarke Price Accounting Scholarships, named for the retired president and CEO of The Ohio Society of CPAs, J. Clarke Price, CAE.

The awards, funded by the Clarke Price Scholarship Endowment, are intended for students who demonstrate leadership, innovation and commitment to the CPA profession – reflective of Price’s legacy. The endowment was established in 2013 to commemorate

Thank you to the volunteers who serve on the Scholarship Selection Committee

- **Chair, Matt Boehm, CPA**, Northwest Ohio Orthopedics & Sports Medicine, Findlay
- **Brent Byerly, CPA**, United Way of The Greater Dayton Area, Dayton
- **Daniel Clark, CPA**, PwC, Toledo
- **Julie L. Griffin, CPA**, Springfield
- **Vernon H. Huber, CPA**, Hamilton
- **Cynthia Kula, CPA**, Walthall CPAs, Cleveland
- **Katie Newman, CPA**, BDO, Akron
- **Jeff Nutter, CPA**, Marion Technical College, Delaware
- **Mark Welp, CPA**, Holbrook & Manter CPAs, Columbus
- **Pete Woodlock, CPA**, Youngstown State University, Youngstown

his 40-year career with OSCPA and was funded by the generosity of many OSCPA members and friends of Price.

Christine Krebs, senior accounting major, will use the scholarship to begin the Masters of Accountancy program at Wright State University. Krebs was selected because of her service in the Air Force and for her commitment to her education. Krebs earned both her associate's and bachelor's degrees while balancing a full-time job.

John Ellis expects to graduate from Wright State in May 2016 with a bachelor's degree in accounting and finance. Ellis was awarded for his commitment to his community and for his service in the Army.

"Scholarships of this nature mean a great deal to a student like me," Ellis said. "It helps validate my decision to pick accounting as my area of study and gives me a positive outlook on my future in the profession."

"I appreciate Christine's and John's service to our country and, with their military backgrounds and commitment to their education, I know they'll have the personal drive and leadership skills to be successful CPAs," Price said.

Scholarship recipients were recognized on stage during The Ohio Society of CPAs' Annual Meeting on May 6 in Columbus.

For more information on The Ohio CPA Foundation's College Scholarship Program, visit www.ohiocpa.com/scholarships or contact Mandy Hohler at mhohler@ohiocpa.com or (800) 686-2727 ext. 355.

2015 Ohio CPA Foundation Scholarship Recipients

- **Todd Abel**, Rocky River, Cleveland State University
- **Megan Baird**, North Royalton, Ohio University
- **Heather Bayer**, Peebles, University of Cincinnati Clermont College
- **Cassandra Davis**, New Franklin, Bowling Green State University
- **John Ellis**, New Carlisle, Wright State University
- **Alex Ferrara**, Independence, The University of Akron
- **Stephen Fleischer**, Westlake, The Ohio State University
- **John Girardot**, West Chester, University of Cincinnati
- **Clint Hardman**, Chesterland, The University of Toledo
- **Heather Holthaus**, Fort Loramie, Wright State University
- **Garrett Hudson**, Xenia, Wright State University
- **Anthony Jakubowski**, Strongsville, The University of Akron
- **Shanna Kim**, Maineville, Xavier University
- **Melissa King**, Kettering, Wright State University
- **Christine Krebs**, Fairborn, Wright State University
- **Nechama Millstein**, University Heights, Cuyahoga Community College
- **Alec Niehauser**, Cincinnati, University of Cincinnati
- **Phillip Parrott**, Dublin, Miami University
- **Emily Pennington**, Cincinnati, Xavier University
- **Leah Phillips**, South Euclid, Miami University
- **Courtney Sherman**, Russia, Wright State University
- **Jacob Sorger**, Cincinnati, The Ohio State University
- **Paige Upole**, Ashtabula, Kent State University
- **Elizabeth Valentin**, Seville, Kent State University
- **Nicole Williams**, Ansonia, The Ohio State University
- **Miranda Yeaton**, Akron, The University of Akron
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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.

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- | | | | | | | | | | |
|----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 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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Simplifying accounting standards: An update on FASB simplification initiative

1. What is the purpose of the FASB Simplification Initiative?

- A. To identify scope simplifications and improvements in accounting principles.
- B. To identify narrow-scope simplifications and improvements in accounting standards.
- C. To simplify all accounting standards.
- D. To rapidly respond to regulator's concerns over the costs and complexity of accounting standards.

2. FASB has on its agenda a narrow-scope project related to inventory. What simplification would this narrow-scope initiative create?

- A. Companies would now need to separate obsolete inventory from "salable" inventory on their balance sheets.
- B. Companies would need to adopt one of two inventory matching concepts when valuing their inventories on a lower of cost or market basis.
- C. Companies will be able to measure the market value for their inventories without the need to compute the net realizable value of this inventory.
- D. Companies will be able to measure the market value for their inventories using only net realizable values.

3. FASB in January issued two proposed updates for the accounting for income taxes. Which of the following is not one of these updates?

- A. Eliminating the requirement for organizations that present a classified statement of financial position to classify deferred tax assets and liabilities as current and noncurrent, and instead require that they classify all deferred tax assets and liabilities as noncurrent.
- B. Eliminating the prohibition on the recognition of income taxes for transfers of assets from one jurisdiction to another.
- C. Both A and B are correct.
- D. None of the above.

4. What would the FASB's "Extraordinary Items" update require?

- A. Companies would now need to separate extraordinary items on their income statements between those that are infrequent in nature from those that are unusual in nature.
- B. Companies would need to reclassify extraordinary items from the income statement to other comprehensive income.
- C. Companies would need to more fully disclose the circumstances underlying an "extraordinary" gain or loss.
- D. Companies would no longer recognize extraordinary items in their income statements.

Five questions to ask before applying for a C-suite job

5. Which of the following questions does Robert Half Management Resources not suggest executive candidates ask of themselves before embarking on a C-suite job search?

- A. How visible are you?
- B. How solid is your network?
- C. What are your expectations for your new employer?
- D. All of the above.

6. What does Paul McDonald, senior director of Robert Half, recommend as being vital to a job search?

- A. Mentors
- B. A great LinkedIn profile
- C. A great leadership personality
- D. Great communication

Turn the device off: Reclaim your life

7. A more realistic work/life time split looks something like _____ hours of doing things for other people, including family and _____ hours for self.

- A. 10-14/10-14
- B. 12-14/8-10
- C. 9-11/12-13
- D. 10-12/12-10

8. Which of the following guides the author in his smart phone use?

- A. Unless you are a surgeon, the phone call you are about to take is likely not a life or death situation.
- B. The times you need to focus on your partner or children should always take priority over work.
- C. Only you can take control of your smart phone use, and it is important to do so to not alienate those around you.
- D. All of the above.

9. Which of the following are tips recommended for reducing smart phone use?

- A. Set limits on their use.
- B. Limit your physical access to the phone.
- C. Be prepared to use other forms of communication rather than a smart phone.
- D. Answers A and B are both correct.

10. What did the author learn about "flexible" work schedules?

- A. That those with flexible hours had more hours in the day to enjoy themselves.
- B. Those with flexible work hours spent more time with their families.
- C. Those with flexible work hours actually worked harder.
- D. Those with flexible work schedules were promoted within the company more quickly than those without such schedules.

Surviving an IRS Reasonable Compensation Challenge

11. Which of the following represent ways to survive an IRS Reasonable Compensation challenge?

- A. Getting all your clients' ducks in a row ahead of time
- B. A desperate last minute struggle to defend a Reasonable Compensation figure that might not have any basis in reality
- C. Both A and C
- D. None of the above

12. Which of the following is not mentioned as a proactive strategy for a Reasonable Compensation defense?

- A. Preparation
- B. Defend
- C. Acceptance
- D. Both A and B

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- Northeast Ohio: **West of Cleveland**: OH2035: \$570k
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- Western Ohio: **Firm looking for partner**: OH2053: \$1,450k
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Advertisers Index

Accounting Practice Sale	22, 28
AccountantsWorld.com	21
Attorney-CPA	29
Business Leadership Solutions	12
CompManagement	31
Duffy & Duffy Cost Segregations	2
Intuit/Quickbooks (RPA Advertiser)	32
Nationwide	19
Oswald Companies	9
PNC Bank	5
Premier Social Security	2
Research Credit Group	18
TransFirst	20

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92 new members and affiliates applied in February; 263 in March

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



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