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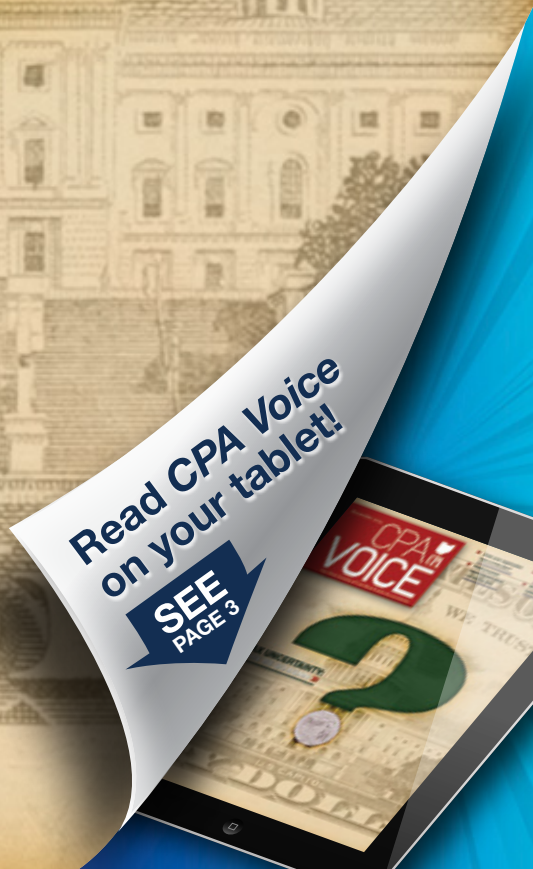
CPA VOICE

The Ohio Society of Certified Public Accountants

TAX UNCERTAINTY: HERE WE GO AGAIN 6



THE OHIO SOCIETY OF CPAs
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The best crisis plans are those you never need to activate

Business continuity planning is a topic that deserves some important attention. In the past few weeks, media have been focusing on the potential threat of the Ebola virus and how to keep it from spreading into U.S. borders. In addition to reports of those stricken by the disease, media have offered tips on steps businesses should take to protect employees.

Certainly a national health epidemic creates a sense of urgency and a case for prudent planning. But crisis planning should really just be one elevated step in continuity planning that smart businesses already have in place.

A sound business continuity plan can ensure that your organization can continue to function during crisis as well as routine interruptions that are more likely to happen. That includes power failures, natural or weather-related disasters and even outbreaks of seasonal flu, which can reduce your staff and your ability to keep a business operating at full capacity.

It can also be much more comprehensive, outlining contingency plans for the sudden departure of key employees or the succession plan for your CEO. The Ohio Society has developed resources to help you create and plan for a succession transition. These are available at www.ohiocpa.com.

At minimum, a good continuity plan addresses what should happen during temporary business disruptions and includes:

Communications plans for employees. Do you have a plan in place should a major northeast snowstorm close your offices? Have a key list of all critical personnel with contact numbers, including cell and email addresses so you can quickly activate a communications triage plan if you need to. It should include a list of key vendors you might need to contact. Have a plan for who will initiate contact and how messages will flow through the communications chain during a crisis or disruption.

If an emergency happens on site, do you have evacuation plans, practice drills and employees trained to manage the process?

IT infrastructure. Do you have alternate ways to communicate if your phones or electricity go down? OSCPA recently moved many of our applications to the cloud. Our staff is equipped to work remotely with laptops and mobile devices so we can keep our business moving along on your behalf. This gives us

> Certainly a national health epidemic creates a sense of urgency and a case for prudent planning. But crisis planning should really just be one elevated step in continuity planning that smart businesses already have in place.

assurance and flexibility for keeping in touch with each other and our members even if our offices are closed or power to our servers goes down.

Critical documents. Do you keep a current and secure offsite or cloud backup of critical documents needed to keep your business running smoothly? It's important to be able to access these remotely if you can't get into your building or if you experience a total facility loss.

Contingency location. Have you identified where you will house your business if the building you now use is temporarily accessible or permanently destroyed? If the contingency location is smaller than your current space, identify which employees must work on site and who can telecommute.

OSCPA has a longstanding telecommuting policy that's solidly woven into our company culture. Our employees are used to conducting business remotely and would adjust quickly if we temporarily lost our place of business.

These are just a few key steps you can take to be prepared so that your employees and your customers aren't caught off guard should something happen.

The Ohio Society of CPAs also offers various resources to help CPAs in business continuity planning and disaster recovery. Visit our website or call member services to learn about options from Agility Recovery and Fireproof. Or view our featured Spotlight series video: Disaster plans: ROI or risk mitigation? on the Society's YouTube channel. I promise it's six minutes of your time that will be well spent.

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Recruitment and retention is a top priority

By Mark Van Benschoten, CPA

Employee recruitment and retention is an issue that's on the radar for many firms and businesses, but there are growing signs that it deserves your full attention – especially when it comes to CPAs.

The staffing firm Brilliant recently released the results of a survey that projected an increase in the hiring of accounting and finance professionals in the next 12 months. The survey also predicted a big increase in the number of unfilled accounting positions.

Why? The reasons they cited include:

- A recovering – but fluctuating – economy.
- Lingering open staff positions from the recession.
- An accelerating business climate.
- Increasing complexity of accounting regulations.
- The Affordable Care Act.
- Increased need for compliance help.
- Technology upgrades.

Jim Wong, CPA (inactive), CEO and founder of Brilliant, said one reason positions will remain unfulfilled is that many companies might mistakenly think there are plenty of accounting graduates available to fill them. Indeed, according to the AICPA, the number of accounting graduates rose 20 percent in the 2011-12 academic year, and was nearly double the number of a decade earlier. But instead, companies will discover they've been counting on a glut of accountants that doesn't exist.

The fact is, accounting firms are having a hard time finding qualified people, and there is a particular shortage of people with two to four years of experience.

Some of the reasons probably have to do with the CPA exam. In spite of the increase of new graduates with accounting degrees, the number of people going on to get their CPA is down.

One thought is that it is harder to keep track of those who are taking the exam. It used to be offered twice a year – and only on paper. Now it is a computer test, and you can seek it in 3 month cycles. So, if you ask someone if they are taking the exam, they could say, "Yes," and they might not be taking it for another nine months.

I am certainly not suggesting that we go back to the days of pencil-and-paper exams, but firm and department leaders need to watch how staff people are tracking throughout the process.

Another thing to keep in mind is the culture in your organization among both leaders and staff.

Are staff members starting their career thinking, "I thought I needed a CPA accreditation, but I don't"? Or, are they seeing the importance of the CPA credential in their career advancement?

Speaking from a firm perspective, people don't like the busy season hours and the time it requires them to take away from personal interests. If you're an OSCPA member – especially those of you in business and industry – what are you seeing?

And are organizations valuing the CPA credential like they should? As leaders in the profession, we need to promote the value of becoming a CPA and the career opportunities it can drive while understanding that some may never choose to follow that path.

Firms and companies should also encourage and offer tools to help people earn their CPA.

A big part of the challenge in Ohio is the 150-hour rule; most people who earn an accounting degree do not have enough credit hours at graduation to be eligible for the CPA exam. That 30-hour gap can seem daunting, especially after passing a milestone like getting a degree.

> A big part of the challenge in Ohio is the 150-hour rule; most people who earn an accounting degree do not have enough credit hours at graduation to be eligible for the CPA exam. That 30-hour gap can seem daunting, especially after passing a milestone like getting a degree.

An important part of recruitment ties to another OSCPA priority: diversity and inclusion. Though the CPA profession has made progress in attracting women and minorities, there's more to be done. OSCPA leaders have joined the national effort, as Marie Brilmyer, CPA, M.Acc., director, assurance services, SS&G and a member of OSCPA's Executive Board, was appointed to AICPA's Women's Initiatives Executive Committee and Scott D. Wiley, CAE, president and CEO, OSCPA, is now serving on AICPA's National Commission on Diversity and Inclusion.

This effort ties to the importance of retention; once we've successfully attracted people to the profession, they need to see a career path. According to AICPA's 2013 Trends in Supply and Demand, while women represent almost half of new CPAs in the accounting profession, they account for less than 9% of all CFOs and 19% of partners in CPA firms nationwide. The study also points to a declining trajectory of minority representation in all areas of the profession.

But beyond that, retaining good employees helps our organizations and elevates the profession. The alternatives are too costly, whether it's people just hopping from one firm to another, or – worse – leaving the profession completely.

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

Year-end uncertainty highlights need for reform

By Tracy Monroe, CPA, MT

As we enter into tax planning season, we again find ourselves in an all-too-familiar and unsettling situation — one in which we do not know the rules of the game we are about to play. Many popular tax planning opportunities, such as the R&D credit and bonus depreciation, expired at the end of 2013. As of the publish date for this article, the Expiring Provisions Improvement Reform and Efficiency Act (EXPIRE) has been drafted but not yet voted on. As rumor has it, it won't be voted on until after the November elections. This act addresses 62 business and individual provisions that expired at the end of 2013.

As a tax practitioner for the past 20-plus years, the best advice I can offer to my clients and to other practitioners for 2014 year-end planning is to assume the Act will pass and plan accordingly. The Act seeks to extend the following most commonly used provisions:

Business:

- 50% bonus depreciation
- Section 179 expense at the $500,000 level with phase-outs starting at $2 million of additions
- 15-year life for qualified leasehold improvements
- R&D credit

TAKEAWAYS

- Assume the Expiring Provisions Improvement Reform and Efficiency Act (EXPIRE) will pass and plan accordingly.
- Possibilities for eventual tax reform include:
  - A reduced corporate tax rate of 25%, with the elimination of benefits such as the production deduction, like-kind exchanges and LIFO inventory.
  - The end of bonus depreciation.
  - Changes to net operating loss utilization.
  - A simplified rate structure for individuals, with only 10% and 25% brackets (taking us from seven to two brackets).
  - The elimination of AMT, as well as most deductions
  - The elimination of personal exemptions in lieu of a generous standard deduction.
- The road to tax reform will be long and challenging, but it is critical to a stable tax and business environment.

- 1202 stock
- Work Opportunity Tax Credit
- Renewable Energy tax credits
- New Markets Tax Credit
- Reduction in S Corporation built-in gain period

Individuals:

- Above-the-line $250 deduction for teachers
- Deducting sales tax in lieu of income tax
- Above-the-line deduction for higher education expenses
- Tax-free distributions from IRAs for charitable purposes
- PMI deductions

But the real issue is how do we plan to move forward beyond 2014? Over the last decade, the tax rules have consisted of many short-lived opportunities that, while beneficial to many taxpayers, have passed very late in the year. If you recall, the last time we went through this cycle was at the end of 2012 when we were on a crash course with the fiscal cliff, but, at the very last minute, the American Taxpayer Relief Act was passed. Even though that tax act did give us certainty as it related to the individual tax rates, AMT exemption, and gift and estate tax rates, it offered many commonly used provisions for business and individuals that were only extended for another two years.

I find it very interesting how our tax policy has evolved into two-year extensions of popular tax provisions. Then every other year we wait with baited breath to see if an extender package is passed. This cycle creates uncertainty and makes it difficult for practitioners to plan. Our current situation makes it clear that we need tax reform now, yet it begs the question: is that even possible in the current political environment?

Maybe and maybe not. The Senate does, however, set broad expectations for reform in its introduction to the provisions of the EXPIRE Act, saying that "reform efforts should eliminate temporary provisions from the tax code, boost the economy through the tax code, broaden the tax base by lowering tax rates and ensure an appropriate baseline is used." The Act also states that "comprehensive tax reform will begin in the next Congress and conclude prior to the expiration of tax extenders."

So, in an optimistic moment, we can start to envision what a reform package might look like. In Congress' initial iterations, reform for C Corporations could include reducing the corporate tax rate to 25%, but eliminating benefits such as the production deduction, like-kind exchanges and LIFO inventory. Bonus depreciation could become a thing of the past, and net operating loss utilization could be altered. For individuals, tax reform could include a simplified rate structure with only 10% and 25% brackets (taking us from seven to two brackets); the elimination of AMT, as well as most deductions; and the elimination of personal exemptions in lieu of a generous standard deduction.

Regardless of the path the final reform package may take, getting there will be a long and challenging road and will take strong bi-partisan support to overhaul a tax code that hasn't seen major reform in 30 years. However, considering the global perspective that our corporate tax rate is not competitive and the insanely complicated rules individuals must navigate to comply with their tax obligations, it is becoming clearer with each passing day that reform is not only necessary, but critical to a stable tax and business environment.

Tracy Monroe, CPA, MT, is a partner with Cohen & Company.

FASB proposal simplifies accounting for consumer-paid cloud computing fees

By Laura Hay, CPA, CAE

The growth in cloud-hosted software services has led to questions about how to account for elements of these contracts. Existing accounting guidance has focused on technology providers (the vendor) in cloud computing arrangements, rather than the purchaser. U.S. GAAP does not provide explicit guidance for the customer, resulting in diversity in practice.

As part of its simplification initiative, FASB has issued a proposed Accounting Standards Update, *Customer's Accounting for Fees Paid in a Cloud Computing Arrangement,* to address how purchasers of hosted software services should account for fees paid in a cloud computing arrangement. Specifically, the exposure draft addresses how to evaluate whether such arrangements include a software license that should be accounted for separately.

The proposed ASU will affect entities in all industries that apply U.S. GAAP and use cloud-hosted computing services.

TAKEAWAYS

- FASB has issued a proposed Accounting Standards Update to address how purchasers of hosted software services should account for fees paid in a cloud computing arrangement. It would impact entities in all industries that apply U.S. GAAP and use cloud-hosted computing services.
- The exposure draft addresses how to evaluate whether such arrangements include a software license that should be accounted for separately.
- If a cloud computing arrangement is determined to include a software license, then the customer would account for the software license element of the arrangement consistent with other software licenses. If not, the customer would account for the arrangement as a service contract.
- The proposed ASU provides guidance to help the purchaser determine when a contract includes a right-to-use software that should be accounted for separately from the service.

> Existing accounting guidance has focused on the vendor in cloud computing arrangements, rather than the purchaser… FASB has issued a proposed Accounting Standards Update to address how purchasers of hosted software services should account for fees paid in a cloud computing arrangement.

Examples of cloud computing arrangements include software as a service, platform as a service, infrastructure as a service and other similar hosting arrangements.

A hosting arrangement is defined as:

- An arrangement in which an end user of the software does not take possession of the software,
- The software application resides on the vendor's or a third party's hardware, and
- The customer accesses and uses the software on an as-needed basis over the Internet or via a dedicated line.

If a cloud computing arrangement is determined to include a software license, then the customer would account for the software license element of the arrangement consistent with other software licenses. If the arrangement does not include a software license, the customer would account for the arrangement as a service contract.

The proposed ASU does not change existing GAAP for a customer's accounting for software licenses or service contracts.

Intangible: Right-to-use software

Many hosted software arrangements include contract language that provides the customer with the right to use the underlying software as part of the service. The proposed ASU provides guidance to help the purchaser determine when a contract includes a right-to-use software that should be accounted for separately from the service.

In making that determination, the customer would evaluate whether:

1. They have the contractual right to take possession of the underlying software at any time during the service period without significant penalty, and
2. Whether it is feasible for the customer to either run the software itself, or contract with another party to run the software.

Those that meet the criteria are considered multiple-element arrangements to purchase both the software and the service of hosting or running the software. Arrangements that do not meet these criteria are accounted for entirely as service contracts, and separate accounting for a license would not be permitted.

Effective date and transition requirements

The comment period on the exposure draft ended Nov. 18, 2014.

For public entities, the proposed ASU is expected to be effective for annual periods and interim periods within those annual periods beginning after Dec. 15, 2015. For all other entities, the proposed amendments would be effective for annual periods beginning after Dec. 15, 2015, and interim periods in annual periods beginning after Dec. 15, 2016. Early adoption would be permitted for all entities.

An entity may adopt the proposed amendments either prospectively for all arrangements entered into or materially modified after the effective date, or retrospectively. Entities that elect prospective transition would disclose the nature of and reason for the change in accounting policy. Entities that elect retrospective transition would disclose the requirements for prospective transition plus additional quantitative information about the effects of the accounting change.

FASB simplification initiative

Through its simplification initiative, FASB seeks to reduce cost and complexity in financial reporting, while improving or maintaining the usefulness of information reported to investors. As part of this initiative, FASB is adding to its agenda a series of narrow-scope projects that stakeholders have identified as opportunities to simplify GAAP in a relatively short time.

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Maximizing your client's Social Security benefit

The landscape has changed

By Roy T. Thompson, CPA

TAKEAWAYS

- Most pre-retirees and retirees are unprepared for retirement. For many of them, Social Security is probably their largest retirement asset.
- Accounting firms would be wise to be ready to provide advice to consumers about Social Security.
- You must consider things such as retirement age, spousal benefits, restricted applications, file and suspend, re-dos, lump sum benefits, divorced, widow and family benefits, taxation of benefits, and more when determining a client's maximum Social Security benefit.

The U.S. Census Bureau estimates 65.2 million baby boomers were alive and well in 2012. The Social Security Administration estimates that 10,000 Boomers are retiring every day and moving on to the next chapter in their life.

The landscape is changing and will remain changed for the next 17 years. As a professional, you will be impacted by this change because Social Security benefits have been called "the single most important retirement benefit for the average American worker." A majority of pre-retirees and retirees are not getting advice from you, the CPA, because most are unprepared for retirement. Although many approaching retirement are concerned about health care issues, longer life expectancies, and the impact those factors will have on their retirement, retirees are often treading into unknown territory.

Our profession has a tendancy to downplay Social Security and its importance for our clients, but in reality, this notorious government benefit is probably their largest retirement asset: a lifetime, inflation-protected annuity with rights of survivorship. More than ever before, people between the ages of 55 and 66 are looking at Social Security differently, and so should you. Consumers are bombarded by investment messages on the radio, in the news, and on the Internet that offer guaranteed returns, risk-free options, and free advice. Sadly, most people who seek answers to their retirement questions get their information from these sources, regardless of the accuracy. Is your firm prepared to "change the landscape" of your practice?

According to the Social Security Administration, Master Beneficiary Record, Table 6.B5.1, 2010, 69.7% of all retirees elected to begin receiving benefits early and accepted less than full retirement age (FRA) benefits. Much more staggering is the fact that 43.6% of all retirees voluntarily accepted the minimum benefit. Why? Some of the reasons would be financial, some would be emotional; but most, I assert, would be because of lack of proper advice. The full retirement age (FRA) for Social Security is 66 (if you were born between 1943 and 1954). The FRA is slightly higher or lower depending on your birth year in relation to the above. Example: if your birth year is 1956, your FRA is 66 and 4 months or if your birth year is 1940, your FRA is 65 and 6 months. The Social Security benefit at FRA is 100% of your computed benefit or Primary Insurance Account (PIA). You may retire as early as 62 (remember the 43.6% of the retirees), but will receive a 25% reduction in your PIA benefit. Actually the reduction is computed as 5/9 of 1% for each month prior to FRA, up to 36 months or 5/12 of 1% if the number of months exceeds 36.

Example: *John's monthly benefit at full retirement age (FRA) is $2000.*

Retirement age:	*62*	*66*
Reduction:	*25%*	*-*
Social Security check:	*$1,500*	*$2,000*

I know what you're thinking: John gets $1,500 per month for 48 months by retiring at 62 over 66. That amounts to $72,000. That is true, but the break-even point for John is age 77. John will lose if he lives past 77 and his normal life expectancy, according to the Social Security Administration, is 85 years. This move could cost John $48,000 at age 85.

You may claim your benefit as late as 70 (actually you can retire even later, but all benefits stop accruing at age 70).

If you chose to retire after age 66, you are rewarded with Delayed Retirement Credits. This credit is 8% (2/3 of 1% for each month after age 66) per year to age 70 or 32%.

Example: *John's full monthly benefit at full retirement age (FRA) is $2000.*

Retirement age:	*62*	*66*	*70*
Reduction:	*-25%*	*-*	*32%*
Social Security check:	*$1,500*	*$2,000*	*$2,640*

John's break-even point at age 62 over age 70 is between 79 and 80 years old. If John lives to his normal life expectancy of 85 and selected to delay retirement to age 70, his accumulated benefit over retiring at 62 would be almost $75,000. If you were John, wouldn't you want this kind of information?

John has a spouse named Janis and both are ready to retire. Everything about John is the same as above and Janis's monthly benefit at FRA is $750. John and Janis are the same age. We will not go over the joint benefit break-even point, but the Spousal Benefit. The Social Security law allows for special benefits for spouses meeting certain criteria: spouse can be of either sex, currently married or former spouse, and is or has been legally married to the worker. If state law recognizes a relationship as a legal marriage, so does the Social Security Administration. The worker must have filed for Social Security and the spouse must be at least 62 or caring for a dependent child. The rules for a former spouse are somewhat more complex. The spousal benefit is 50% of the worker's FRA benefit. John must have filed for Janis to proceed. If 50% of John's benefit exceeds Janis's benefit, then she should file for spousal benefits.

If Janis (or John for that matter) chose to file for benefits, but restrict those benefits to spousal benefits only, she/he would receive spousal benefits while his/ her own benefit grew because of the delayed retirement credit (remember 32%).

Example: *John's monthly benefit at full retirement age (FRA) is $2,000 and Janis' monthly benefit is $750. Both file on own work record.*

Retirement age:	*62*		*70*
FRA Benefit:	*$2,000*		*$750*
Spousal Benefit:		*$250*	
Social Security check:	*$2,000*		*$1,000*

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Continued from page **11** ►

Example: *John's monthly benefit at full retirement age (FRA) is $2,000 and Janis' monthly benefit is $750. Janis files restricted and receives spousal benefit while her benefit grows. At age 70 both individuals file on their own work record. The following table compares: 1. filing early at 62 for both John and Janis (remember 43.6% of all retirees do this) against 2. John filing for his benefits at 66 and Janis filing restricted at 66 for spousal benefits, but switching to her own benefits with the 32% delayed credit addition against 3. John filing restricted at 66 for spousal benefits, switching to his own benefits with the 32% delayed credit addition. With strategy #3, Janis switches to restricted at 70, drawing 50% of John's benefits, which do not reflect the delayed credit increase. Here we have the same individuals with the same situation, but treated with three different claiming strategies resulting in much different results.*

A comparison of the three claiming strategies shows that strategy #1 is a clear disadvantage to your client, unless financial or emotional factors dictate otherwise. However, 43.6% of all retirees (and maybe 43.6% your clients) settle for strategy #1 and lifetime benefits of $594,000 in this example. You could offer to review their retirement goals and recommend claiming strategies to maximize their Social Security lifetime benefits such as #2 and #3. The lifetime benefit for strategy #2 is $720,000 and #3 is $752,880, respectively. The difference is significant and could influence your client's standard of living during their retirement years.

	Claiming Strategy # 1		***Claiming Strategy # 2***		***Claiming Strategy # 3***	
Age	***John Files @ 62***	***Janis Files @ 62***	***John Files @ 66***	***Janis Restricts to Spousal @ 66***	***John Restricts to Spousal @ 66 Switches @ 70***	***Janis Files @ 66 Switches to Spousal @ 70***
62	*$18,000*	*$6,750*	*$0*	*$0*	*$0*	*$0*
63	*$18,000*	*$6,750*	*$0*	*$0*	*$0*	*$0*
64	*$18,000*	*$6,750*	*$0*	*$0*	*$0*	*$0*
65	*$18,000*	*$6,750*	*$0*	*$0*	*$0*	*$0*
66	*$18,000*	*$6,750*	*$24,000*	*$12,000*	*$4,500*	*$9,000*
67	*$18,000*	*$6,750*	*$24,000*	*$12,000*	*$4,500*	*$9,000*
68	*$18,000*	*$6,750*	*$24,000*	*$12,000*	*$4,500*	*$9,000*
69	*$18,000*	*$6,750*	*$24,000*	*$12,000*	*$4,500*	*$9,000*
70	*$18,000*	*$6,750*	*$24,000*	*$12,000*	*$31,680*	*$12,000*
71	*$18,000*	*$6,750*	*$24,000*	*$12,000*	*$31,680*	*$12,000*
72	*$18,000*	*$6,750*	*$24,000*	*$12,000*	*$31,680*	*$12,000*
73	*$18,000*	*$6,750*	*$24,000*	*$12,000*	*$31,680*	*$12,000*
74	*$18,000*	*$6,750*	*$24,000*	*$12,000*	*$31,680*	*$12,000*
75	*$18,000*	*$6,750*	*$24,000*	*$12,000*	*$31,680*	*$12,000*
76	*$18,000*	*$6,750*	*$24,000*	*$12,000*	*$31,680*	*$12,000*
77	*$18,000*	*$6,750*	*$24,000*	*$12,000*	*$31,680*	*$12,000*
78	*$18,000*	*$6,750*	*$24,000*	*$12,000*	*$31,680*	*$12,000*
79	*$18,000*	*$6,750*	*$24,000*	*$12,000*	*$31,680*	*$12,000*
80	*$18,000*	*$6,750*	*$24,000*	*$12,000*	*$31,680*	*$12,000*
81	*$18,000*	*$6,750*	*$24,000*	*$12,000*	*$31,680*	*$12,000*
82	*$18,000*	*$6,750*	*$24,000*	*$12,000*	*$31,680*	*$12,000*
83	*$18,000*	*$6,750*	*$24,000*	*$12,000*	*$31,680*	*$12,000*
84	*$18,000*	*$6,750*	*$24,000*	*$12,000*	*$31,680*	*$12,000*
85	*$18,000*	*$6,750*	*$24,000*	*$12,000*	*$31,680*	*$12,000*
	$432,000	*$162,000*	*$480,000*	*$240,000*	*$524,880*	*$228,000*
	Total	***$594,000***	***Total***	***$720,000***	***Total***	***$752,880***

> A majority of pre-retirees and retirees are not getting advice from you, the CPA, because it is no secret that most are unprepared for retirement.

OSCPA has two affinity partners who can help you navigate Social Security and Medicare issues.

Premier Social Security Consulting

www.ohiocpa.com/premier

Premier Social Security Consulting's mission is to empower people to take control and maximize their Social Security benefits.

Premier Social Security Consulting LLC
Leaders in Social Security Consulting and Education

Seniority Benefit Group

www.ohiocpa.com/seniority

Seniority Benefit Group (SBG) is a trusted resource for Medicare solutions. Their mission is to help seniors find the right Medicare plan that fits their needs and budgets. Because they are independent, their advisors can provide guidance from a unique perspective.

SENIORITY BENEFIT GROUP

In addition to strategy #3 being more than $126,000 over strategy #1, and $32,880 more than strategy #2, it has a higher Survivor Benefit. We cannot go into this with much depth but, basically speaking, one spouse could outlive the other by many years and, if meeting certain criteria, would be entitled to 100% of the deceased spouses benefit while relinquishing his or hers. Usually, the woman outlives the man and the man has been the higher wage earner. The Survivor Benefit under claiming strategy #1 is $18,000, under claiming strategy #2 is $24,000 and under claiming strategy #3 is $31,680.

Areas that are often neglected in determining a maximum Social Security benefit are retirement age, spousal benefits, WEP and GPO, restricted applications, file and suspend, re-dos, lump sum benefits, divorced, widow and family benefits, Taxation of benefits, and others that cannot be considered in this article. This neglect is both frequent and unfortunate, but preventable. The landscape has changed; are you ready to change with it?

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Cyber liability insurance: A necessity for your business?

Debbie Foister, CPA, CFE, CFF, CIRA
Manager, Forensic Services ~ HBK Valuation Group LLC

"Cyber liability" is the risk associated with conducting business over the Internet or another such public delivery network – or by using electronic storage technology. There are two distinct risks associated with cyber liability: first-party and third-party.

A first-party cyber liability arises when your private information has undergone a data breach. One example is when a hacker gains access to someone's business records, checking account information or tax returns. A third-party cyber liability transpires when the information your clients/customers have entrusted your organization to keep safe is breached. Examples include the much-publicized recent breaches occurring at Target and The Home Depot. Not only have these breaches received national media attention, but they have also created some consumer panic.

During the 2013 holiday shopping season, Target experienced a substantial data breach that exposed the private credit and debit card information of about 70 million customers. Target initially reported that the data breach affected 40 million customers. Yet on additional investigation, it was revealed that the

TAKEAWAYS

- There are two distinct risks associated with cyber liability:
  - A first-party cyber liability is when your private information has been breached.
  - A third-party cyber liability is when the information you have entrusted your organization to keep safe is breached.
- Cyber liability insurance can fill the gap for liability for loss of customer or employee data, which is typically not covered under a corporate insurance policy.
- In addition to thinking about insurance, your business should:
  - Develop a written IT security policy.
  - Strengthen your network policies, practices and protocols.
  - Use strong encrypted passwords and require frequent change.
  - Conduct a regular risk assessment to reveal hardware, software and individual site vulnerabilities.
  - Use firewalls, anti-virus and anti-spam software and secure mobile solutions to secure network access and mobile devices.

breach was broader than anticipated and involved the theft of personal financial information such as the PIN data embedded in the credit cards of the customers impacted. Fortunately for consumers, Target had at least $100 million dollars of cyber insurance coverage prior to the breach. Target customers did not incur any liability for the fraudulent charges directly related to the data breach and since it occurred, Target has undergone state and federal investigations and several lawsuits.

The world's largest home improvement retailer, The Home Depot, recently announced it, too, had fallen victim to a data breach. Home Depot's ongoing investigation into the matter has determined the criminals in question used unique, custom-built malware to evade detection. The company now estimates 56 million individual payment cards are at risk for having been breached and that the malware involved had been in use from April 2014 until sometime after the discovery of the data breach. Consequently, Home Depot is offering free identity protection services, including credit monitoring, to any customer who used a payment card at a Home Depot store between April and September of 2014.

Sadly, data breaches are now an unpleasant fact. Companies of all sizes have compelling reasons for avoiding both first and third-party liabilities because even small to mid-size companies are not resistant to such cyber attacks. In fact, a recent study by the U.S. Secret Service indicates that more than 72% of data breaches occur in small to medium size companies with an estimated average cost of a data breach being placed at more than five million dollars. First-party cyber liabilities can threaten a company's liquid assets and competiveness. Third-party cyber liabilities can be more devastating because it often ruins brand image and reputation, encourages sizable dollar lawsuits and initiates statutory fines. Forty-six states in the U.S. have implemented mandatory requirements for data breach notification. The costs of notifying consumers affected by a data breach can be extremely high and serve as yet another unfortunate by-product of cyber attacks.

So, is cyber liability insurance necessary for your business? Perhaps. Cyber liability insurance has been available in the market place for more than a decade, though many businesses have not heard of it, do not know it exists, or mistakenly believe that such coverage is contained within the auspices of their general liability insurance. Typically, liability for loss of customer or employee data is not standard under a corporate insurance policy. Unfortunately, most businesses find out what is and is not part of their coverage only after suffering a data breach. Cyber liability insurance can make the difference between staying in business or not after a cyber-attack, and coverage is not wildly expensive.

In addition, the type of industry of a given business has a significant impact on the cost of policy premiums. There are safe business practices that business owners can implement to lower the overall risk of a data breach, and insurance companies offer incentives to those who follow them, much in the same way "good-driver" discounts are applied in a majority of automobile insurance policies. Strengthening your network policies, practices and protocols will reduce your risk of an attack and decrease the cost of policy premiums. An obvious safeguard to lower your risk is use of strong encrypted password protection that requires frequent change. Also to cut down on risk factors, try these steps: conduct a regular risk assessment to reveal hardware, software and individual site vulnerabilities; develop a written IT security policy if you do not have one in place; and, use firewalls, anti-virus and anti-spam software and secure mobile solutions to secure network access and mobile devices.

Although cyber liability insurance has been available for more than 10 years, it is in its infancy. There is a lot of variation among policies for premium costs and coverage. Policies can cover a variety of expenses associated with data breaches, including notification costs, credit monitoring, costs to defend claims by state regulators, fines and penalties, loss resulting from the identity theft, business interruption, data loss/destruction, computer fraud and cyber extortion.

If you think your business is at risk for a cyber-attack, contact your insurance provider and to discuss the terms of your current policy as related to data breach events. If your policy excludes the data breach coverage, consider what cyber liability insurance package is the most sensible, economical fit for your business.

Debbie Foister, CPA, CFE, CFF, CIRA is manager of forensic services within HBK Valuation and Litigation Support Group LLC. Contact her at (814) 836-9968 ext. 1714 or via email at dfoister@hbkvg.com.

Is your résumé sabotaging your job prospects?

By Janice Worthington

I love to hear from our members. What I find intriguing, though not surprising, is that many frustrated job hunters have the same problem in their job searches. They are unquestionably qualified for a great opening but they can't get in the door.

I used to think that perhaps my clients were aiming too high, but that has rarely been the case. In this age of specialization, candidates know what they qualify for. However, the "right job" always seems just beyond their reach. Why are so many candidates dropping in first-round eliminations? From what I'm seeing, the root cause is the generic résumé.

It's as though people don't realize the true role of a résumé and gloss over the preparation process as if the résumé were nothing more than a job history. This theory is confirmed each day when I get calls asking if I can "write up a quick résumé by tomorrow." There is nothing quick about preparing a successful résumé.

Everyone knows you don't advertise financial services like you advertise light bulbs. So, why do so many of us fill in the blanks of a Windows résumé template? Why should an accountant's résumé look exactly like the one written

by an electrician? If you truly want to outcompete, you must customize your resume. Anything less is unthinkable.

So how do you customize your resume for maximum results? It starts with being keenly aware of what the company is seeking in a candidate. Read the job posting carefully and highlight the job requirements and preferred qualifications. From there, begin crafting each section of your resume with these elements in mind:

Match your objective statement to the position: Instead of making a general statement such as, "to use my accounting skills and business acumen to add value to a growing and vibrant company," consider revising to read, "to use my specialized knowledge in cost accounting and finance to help XYZ company streamline its back office processes, enhance investment performance and improve the bottom line."

Rework your skills/qualifications section to reflect the needs of the job: Eliminate qualifications that don't address the goals of the position or reword them to ensure they do. Irrelevant skills take up space you could use to highlight those the company is seeking.

Highlight accomplishments in your list of jobs that match the goals for the position: Avoid the temptation to list everything you did at each company on your resume. Instead, focus on those accomplishments that are directly related to the position you want.

Use results-oriented language: A straight-up list of accomplishments doesn't stand out to the screener. Phrases such as "Realigned investment maturities with the strategic goals of the company, enhancing returns by 50%" is a much stronger statement than, "Managed a $5 million investment portfolio."

You can't get the job if you can't get the interview. And you can't get the interview if you can't outperform "on paper." Stop the madness. Tailor your resume to get the results you seek.

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. Janice works with The Ohio Society as a career coach to the membership, providing regular columns in the Society's electronic publications and on the Society's website. For more career coaching and job searching resources, visit OSCPA's Career Center at www.ohiocpa.com/careercenter.

OSCPA peer review fee structure changing Jan. 1

The peer review program is self-supporting and budgeted on a break-even basis. Every three years the Peer Review Committee appoints a fee task force to look at the financial results of the last three years and build a budget for the following three-year cycle. When the task force looked at the previous years' fee results, they found that the program was running a loss and that an increase was needed. The task force recommended the following fees to the OSCPA Executive Board, which approved them for the new peer review cycle, effective for firms with due dates between Jan. 1, 2015 and Dec. 31, 2017:

Administrative and evaluation fee and per professional fee:

- $925 per firm (includes one professional)
- + $135 per additional professional for PRP and PCPS Firms OR
- + $150 per additional professionals for Firm in the Audit Quality Center

This fee is billed once every three years to all firms, during the year of the firm's review. The invoice is sent to the firm once the reviewer has been approved to conduct the review. There is no specific time this fee is billed. It is for the administrative, technical review and committee evaluation and acceptance processes. This fee is charged to member and nonmember firms.

The late fee is $100 for second requests and increases $50 for each additional requests – We charge all firms (members and non-members) a $100 fee for any and all second requests for scheduling information and it increases by $50 for any and all additional requests for scheduling information we must send. Billing occurs throughout the review until the review is completed.

Committee follow-up fee is billed to firms that are required to submit any additional corrective or monitoring information to the committee. The fee is $125/CPE course or $250 for the submission and review of any other documents (i.e. – submission of report(s) and/or financial statement(s) for a post-issuance review by a technical reviewer, etc.). It is billed upon completion of the review. This fee is charged to member and non-member firms.

No A&A fee is billed once a year to firms that are enrolled in the PRPs but are not performing attest services. This fee is $50 and accompanies the annual no A&A confirmation letter. This fee is charged to member and non-member firms.

Enrollment fee is billed to firms enrolling or re-enrolling in the program. This fee is $100 and accompanies the enrollment form. This fee is charged to member and non-member firms.

Recalled review fee is billed to those firms that did not have the proper engagement selection during their last peer review, which requires the firm's previous peer review report and acceptance to be recalled and re-performed. The scheduling and evaluation fee would be doubled to $1,850.

section editor: Gary Hunt

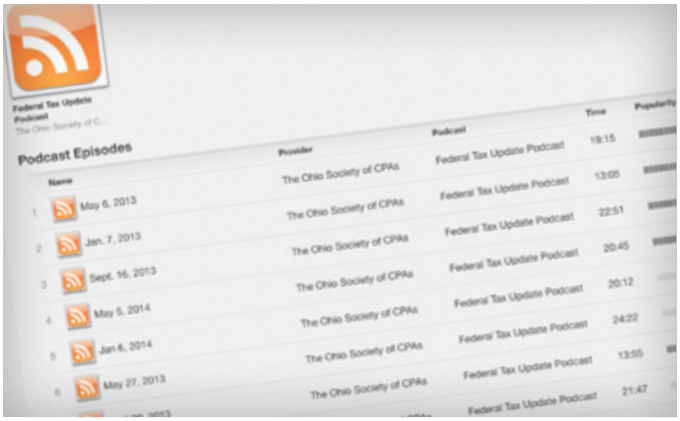
Tax resources to help CPAs

Web page
OSCPA's Tax News and Resource Center helps CPAs keep up to speed on everything tax related. As a service to members, this online resource features breaking tax news and links to forms, applications and more for local, state and federal taxes. Go to **www.ohiocpa.com/tax-resources**

The one-stop shop for the latest tax resources and a valuable benefit of your OSCPA membership is just a click away at ohiocpa.com.

Find IRS and Ohio Department of Taxation forms and publications in one convenient location.

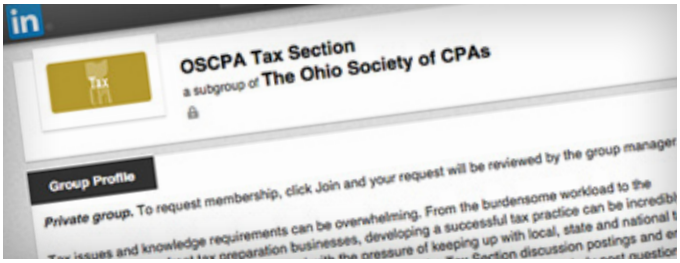
Tax law and knowledge requirements can be overwhelming. From the burdensome workload to the competition of storefront tax preparation businesses, the challenges of developing and maintaining a successful tax practice can be considerable.



Free federal tax podcast

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

The podcasts are available when it's convenient for you on OSCPA's website. Podcasts are also available to download on iTunes by searching for "The Ohio Society of CPAs."



Join the tax section to keep up with state and local law changes

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

Sign up now!
www.ohiocpa.com/taxsection

Other resources

OSCPA also offers videos highlighting the value of working with a CPA. All of these resources are just part of the benefits available to you as a member of The Ohio Society of CPAs.

Have questions? Call CPAnswers, the member service center, at **(888) 959-1212.**

The Ohio Society of CPAs

OSCPA On-Demand

Earn CPE every month. It's easy!

Superior Education. Right on Time.

Need quality CPE on the go? Take advantage of OSCPA On-Demand, the smart way to learn and earn. On-demand courses are 100% mobile enabled, which means you can log on from your smartphone, tablet or laptop on your time. From tax and A&A to professional development, new courses are added monthly. On-Demand offers quality knowledge on the "hottest" topics when you need it. Visit the OSCPA Online Store to start earning CPE the easy way!

New and Noteworthy

47389	Like a Boss (1 SK)
47514	Tax Reform Act of 2014 (1 TX)
47106	Fair Value Accounting: When Are Valuations Required and How to Audit Them (1 AA)
47072	Tax Aspects of Nonprofit Fundraising (1 TX)

Most Popular

46478	Ohio Small Business Investor Income Deduction (1 TX)
46816	Forms 990 & 990 EZ: Significant Changes (1 TX)
46730	Reading, Understanding and Presenting Financial Statements: Part 1 (1 AA)
46731	Reading, Understanding and Presenting Financial Statements: Part 2 (1 AA)
47006	Take Control of Your 401(k): Powerful Strategies to Unlock Your Investing (1 SK)
46910	Paying for College Without Going Broke (1 SK)

Staff Picks

47015	SHOP, Drop, Roll, Self-Insure, Private Exchange: Which is the Best Option for You? (1 SK)
46941	Introduction to Cloud Accounting (1 SK)
46991	Information (in) Security: Risk Lurking in Your Information Technology Infrastructure (1 SK)
46960	Understanding Unclaimed Funds Reporting (1 TX)
46965	A&A Update for the 2014 Employee Benefit Plan Season (1 AA)

Ethics courses:

45799	Fundamentals of Ohio Accountancy Law (3 ET)
46060	Ethics in Tax Practice: Ohio (3 ET)

Visit www.ohiocpa.com/ondemand for more information.

The Succession Institute

The Succession Institute offers small firms the tools they need to manage their practices and seamlessly transition to new leadership. It is led by owners Bill Reeb, CPA, CITP, CGMA and Dom Cingoranelli, CPA, CGMA, CMC®, who have worked for more than 30 years with CPA firms and family businesses to help them improve their performance.

Introducing the Strategic Planning Virtual Facilitator™ for Small Firms

Signs that your firm could benefit from SI's Strategic Planning Virtual Facilitator™ Video Program:

- Your practice hasn't had an effective long-term vision or strategy in place.
- A strategy or vision was developed some time ago but now it's time to update it.
- You attempted to develop a strategic plan but never finished it.
- You actually developed a strategic plan but didn't implement it.
- You'd like to develop a long-term vision to drive the business and align everyone with it.

This program provides small CPA firms with step-by-step video instructions and downloadable forms/tools to help you organize, orchestrate and develop your own plan.

Learn more and access your OSCPA discount code at www.ohiocpa.com/succession-institute.

Accounting Practice Sales

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

They know the accounting practice market based on their experience of marketing and selling practices, not merely from theory. Accounting Practice Sales starts by understanding your goals and objectives to determine the best way to structure price, payment and other terms that will lead to the best outcome for your situation, as well as that of your staff and clients.

Before you're introduced, the prospective buyer has been interviewed on their credentials and experience to ensure they have the professional background needed to effectively operate the business. Then, Accounting Practice Sales works with you throughout the process regarding all aspects of the sale, including practice valuation, terms of sale, financing arrangements, client retention, non-compete and transition issues.

Through the Society's partnership with Accounting Practice Sales, OSCPA members can receive up to three hours of free consulting and significant savings on their practice continuation service.

To learn more, visit www.ohiocpa.com/accounting-practice-sales, call (800) 272-7355 or email mike@AccountingPracticeSales.com.

Members in Motion

Paul Weisinger, CPA, ABV, CVA

David Lux, CPA, MT

AKRON

BCG & COMPANY has been named among the 99 Best Places to Wtork in Northeast Ohio for the 10th year in a row.

KELLI MILLER has been promoted to senior associate, assurance at SS&G.

SEQUOIA FINANCIAL GROUP, LLC, an independent financial services firm, has landed a spot on the 2014 Inc. 5,000 List of Fastest Growing Private Businesses in America.

BRUNSWICK

DON JACOBSON, CPA, and **BILL STASUK, CPA,** have been added as partners at Steinke Vertal Langdon & Drum (SVLD). As part of the transaction, the firm of Hill, Stonestreet & Co. will combine operations with SVLD, Inc.

CINCINNATI

SAMANTHA KOEPPE, CPA, has been promoted to senior associate, assurance at SS&G.

DAVID RICE, CPA, has been promoted to manager, assurance at SS&G.

CLEVELAND

TONY BAKALE, CPA, partner and tax technical director at Cohen & Company, was honored with Cleveland State University's George B. Davis Award for service to the university.

MICHAEL FERKOVIC, CPA, has been promoted to manager, at SS&G, Parkland.

ALICIA HUFFMAN, CPA, has been promoted to senior associate, tax at SS&G.

MICHELLE MCCUE, BRANDON MORRIS, CPA, and **LINDSAY TOTH, CPA,** have been promoted to manager, assurance at SS&G.

DEAN LISOWSKI, CPA, has joined the Cleveland office of Walthall CPAs.

PLANNED FINANCIAL SERVICES (PFS) and **PLAX & ASSOCIATES FINANCIAL SERVICES** are merging under the PFS name.

PAUL WEISINGER, CPA, ABV, CVA, partner at Walthall CPAs, was named an honoree of the CPA Practice Advisor 40 Under 40 awards.

COLUMBUS

TONY CERASI, CPA, has been promoted to manager, assurance at SS&G.

MICHAEL MARTIN has been promoted to senior associate, assurance at SS&G.

MARISSA NELSON, CPA, has been promoted to senior associate, tax at SS&G.

FAIRLAWN

DAVID LUX, CPA, MT, recently joined Winer and Bevilacqua, Inc. as manager of the tax department.

LIMA

REA & ASSOCIATES, INC., a regional accounting and business consulting firm with 11 offices throughout Ohio, has merged with Lima-based accounting firm, M.A. Hoops & Associates, Inc.

MIDDLEBURG HEIGHTS

AARON J. CHERR, CPA, CVA, has joined the Middleburg Heights CPA firm of McManus, Dosen and Co. as a member of its financial services group.

WOOSTER

MARIA NICHOLAS, CPA, has joined the Wooster office of Walthall CPAs.

Investing in the Future

Your support makes a difference!

The 2014 Annual Fund Campaign

The Ohio CPA Foundation serves OSCPA members and the profession by attracting the best and brightest to the CPA career path and helping young people develop financial skills. Your tax-deductible gift to the Foundation's 2014 Annual Fund Campaign plays a critical role in the continued success of our educational programs.

Through initiatives like the Accounting Careers Awareness Program (ACAP-Ohio) and Accounting Career Days, which encourage and inspire high school students to pursue the accounting major and CPA career paths, to the Statewide Scholarship Program, which helps accounting majors complete their education with less financial burden, The Ohio CPA Foundation is working to promote and strengthen the future of the profession every day.

This is how your contribution makes a direct impact:

Receiving The Ohio CPA Foundation scholarship is a remarkable honor. Because of the generosity of others, **I will be able to use this award to further my education.** After graduating next spring, I plan to sit for the CPA Exam and will be joining the audit practice of Deloitte & Touche.

John "JJ" Erickson,
2014 Statewide Scholarship Recipient

ACAP-Ohio was extremely instrumental in opening my eyes to the possibilities that accounting holds. Thanks to ACAP-Ohio, I'm now an aspiring CPA majoring in accounting at The Ohio State University.

Sparkle Prater,
ACAP-Ohio Class of 2012

Your contribution to The Ohio CPA Foundation is an investment in the future of our noble profession.

Please support the 2014 Annual Fund with a gift today!

To make your gift:

- Go to www.ohiocpafoundation.org and click on Donate Today
- Call (800) 686-2727
- Mail a check to P.O. Box 2029, 535 Metro Place South, Dublin, OH 43017

Contributions are tax deductible and directly impact the students participating in Foundation programs.

For more information, please contact Karen West, CAE, executive director, at kwest@ohiocpa.com or (800) 686-2727, ext. 344.

The Ohio CPA Foundation is all about investing in our future. As a CPA on the "back nine" of my career (to quote Rory McIlroy), this is very important to me personally. The "investments" are focused on attracting diverse and high-performing students to careers as CPAs and in improving the knowledge and understanding of core financial concepts by the general public (financial literacy).

Dave Simko, CPA, The Ohio CPA Foundation Board of Trustees

CPA VOICE
The Ohio Society of Certified Public Accountants

Self-Assessment exam

November 2014
Course #47476

www.ohiocpa.com

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

Year-end uncertainty highlights need for reform

1. Which of the following is the Expiring Provisions Improvement Reform and Efficiency Act seeking to extend?

A. 50% bonus depreciation
B. Section 179 expense at the $250,000 level with phase outs starting at $2 million of additions
C. 10-year life for qualified leasehold improvements
D. All of the above

2. Which of the following tax reforms are possible going forward?

A. A reduced corporate tax rate of 25% with the elimination of certain tax breaks
B. Making the current bonus depreciation deduction permanent
C. Broadening net operating loss utilization
D. An increase in the AMT limits as well as limits for most itemized deductions

FASB proposal simplifies accounting for cloud computing fees paid by customers

3. Examples of cloud computing arrangements include:

A. Software acquisition
B. Platform as a service
C. Certain company hosting services that are limited in scope
D. Information systems consulting

4. Which of the following does FASB say suggests the presence of a hosting arrangement?

A. An arrangement in which an end user of the software does not take possession of the software.
B. The software application resides on the vendor's or a third party's hardware.
C. The customer accesses and uses the software on an as-needed basis over the Internet or via a dedicated line.
D. All of the above.

5. Arrangements that allow the customer to take possession of the underlying software at any time during the service period without significant penalty and which allow the customer to either run the software or contract with another party to run the software are to be accounted for as ____ arrangements to purchase both the software and the service of hosting or running the software.

A. Single element
B. Dual element
C. Multiple element
D. Multi-dimensional element

Maximizing your client's Social Security benefits

6. If you choose to retire after age 66, you are rewarded with Delayed Retirement Credits, with this credit equal to a (an) _____ increase in yearly benefits for each year Social Security is not taken up to age 70.

A. 10%
B. 11%
C. 8%
D. 7%

7. Which of the following items need to be considered to determine your maximal Social Security benefit?

A. Your retirement age
B. The existence of spousal credits
C. WEP and GPA
D. The ability to file for Social Security and then indefinitely suspend benefits

Cyber liability insurance: A necessity for your business?

8. ____ is the risk associated with conducting business over the Internet or another such public delivery network – or the risk associated with using electronic storage technology.

A. Cyber risk
B. Cyber liability
C. Cyber hazard
D. Cyber insecurity

9. What are the two distinct risks associated with cyber liability?

A. First-party and third-party
B. Direct and indirect
C. Partial and full
D. First-party and second-party

10. A ____ cyber liability occurs when the information your clients or customers entrusted to your organization is breached.

A. First-party
B. Second-party
C. Third-party
D. Direct

11. A recent study by the U.S. Secret Service indicates that more than ____ of all data breaches occur in small to medium sized companies with an estimated cost of the breach exceeding ____.

A. 72%; $4 million
B. 75%; $5 million
C. 70%; $10 million
D. 72%; $5 million

12. Companies can limit the risks of a cyber attack in a number of ways. Which of the following did the author not mention in the article as a way to limit such attacks?

A. Strengthen your networks
B. Institute strong encrypted password protection that requires frequent changes in passwords
C. Conduct a regular risk assessment
D. Purchase cyber liability insurance

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)

- Indiana: **Indianapolis area:** $1.7 million
- Central Ohio: **Columbus area:** OH2052: $135k
- Central Ohio: **Columbus area:** OH2054: $495k
- Central Ohio: **Columbus area:** OH2055: $800k
- Eastern Ohio: **Tuscarawas County:** OH2046: $640k
- Northeast Ohio: **West of Cleveland:** OH2035: $570k
- Northeast Ohio: **Ashtabula County:** OH2048: $225k
- Northwest Ohio: **Hancock County:** OH2048: $225k
- Western Ohio: **Clark County area:** OH2020: $700k
- Western Ohio: **Firm looking for partner:** OH2053: $1,450k

Visit www.AccountingPracticeSales.com to inquire on details.

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

Corsarolaw

Westlake Ohio (west side suburb of Cleveland) law firm with tax planning and compliance practice seeks a credentialed tax professional (CPA, enrolled agent, attorney) with 5+ years experience preparing complex tax returns for individuals, corporations and partnerships in a fast-paced environment. Interested persons may send resumes to: **Resumes@Corsarolaw.com**

Controller

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