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CPAs have key health care role

We are on the cusp of sweeping changes in health care, changes that will impact us as individuals and employers.

This issue of *CPA Voice* covers several aspects of those changes, and how Ohio CPAs can prepare.

Buy health care, get tax credits

Tax credits might help ease the sting for those on the open market. Individuals buying their own health care insurance might qualify for an average of \$2,700 in tax credits, according to a new study from the Kaiser Family Foundation.

The study explains how the tax credits will work and estimates how much premium assistance people now buying their own insurance will be eligible for in 2014.

Help 'navigating' changes

As questions about the changes multiply, the IRS has released a new



Rob Peirce, benefits and risk management consultant with the Oswald Companies, says CPAs are at the forefront in understanding the Affordable Care Act. Turn to page 22 for more.

document outlining the resources for individuals, families and employers. The PDF, Health Care Law Online Resources, contains links directly to supporting agencies.

Continued on page 2 ►

Speak up for muni tax reform

Legislators are hearing from countless municipal officials who are fighting municipal tax reform efforts. But they say they are not hearing from local businesses and CPAs that a problem truly exists.

The most important voice to any elected official is that of a constituent. If you are among the 98% of OSCPA members who said Ohio's muni tax system is broken and is a deterrent to economic development in our state, please make your voice heard NOW!

Call or write your legislators and explain the importance of reforming Ohio's municipal income tax system. For help, visit OSCPA's Action Center at <http://goo.gl/xQZq2q>. You'll find a helpful letter writing tool for contacting your legislators. Prefer to make a quick phone call? We can help with that, too! Visit the action center or call OSCPA's governmental affairs team at 800.686.2727.

Without your support, HB 5 and its hope of making positive changes are at risk. OSCPA members identified fixing Ohio's burdensome municipal income tax system as a priority. We need your help to make it happen. Now is the time to act.

For more information on OSCPA's top legislative priority, read the column from OSCPA President & CEO Scott D. Wiley, CAE on page 6.

Health Care continued from Cover ►

For those wanting a more personal touch, Ohio's own fleet of "navigators" is on its way.

Navigators will not be insurance agents, but will offer information on available coverage and concepts that will be new to many uninsured individuals, such as deductibles and co-payments.

The Ohio Association of Foodbanks is coordinating two-thirds of the state's

\$3 million in federal grants to hire and train "navigators" who will help the uninsured select health plans on Ohio's federally run insurance marketplace under the health care act.

The Centers for Medicare and Medicaid Services awarded a \$1.95 million grant to the Ohio Association of Foodbanks and a network of strategic consortium members. The money will be used to raise awareness about the federal-

facilitated Health Insurance Marketplace and connect Ohioans with help in enrolling in plans in the Health Insurance Marketplace beginning this fall.

Consumers or organizations looking for more information can call 800.648.1176.

Turn to pages 22 for more on health care reform.

OSCPA supports digital tagging bill

OSCPA has written to Republican Sen. Robert Portman from Ohio urging his support of a new bill calling for expanded data tagging.

The Digital Accountability and Transparency Act of 2013, or DATA Act

(S. 944) would create a mandate for data tagging.

"We are strong supporters of initiatives to improve transparency in financial reporting and specifically support the data transparency provisions of the bill," said OSCPА President and CEO Scott D. Wiley, CAE in the letter.

"Gathering data electronically using consistent, nonproprietary platform independent data standards, as called for in the bill, will allow for better analysis, enhance accuracy and more informed decision-making," Wiley continued.

Read the full letter at www.ohioscpa.com under Governmental Affairs, Testimony.

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Guidance released on Ohio income tax and pass-through entity tax cuts

Help is available for those trying to navigate recent changes in individual income tax and pass-through entities. The tax law changes – a priority of Gov. Kasich and Ohio House and Senate leaders – were included in Ohio’s recently enacted biennial budget bill (H.B. 59) and are effective for tax years 2013 and beyond.

Individuals with “Ohio small business investor income” may now exclude 50% of that income from the adjusted gross income they report on their Ohio personal income tax return. If the business has multiple owners, each owner is eligible to claim the deduction. However, each investor or owner can only exclude 50% of the first \$250,000 of qualifying income from all sources, meaning the deduction is capped at \$125,000 (\$62,500 MFS) for each taxpayer, regardless of the number of small businesses they invest in.

Who Qualifies: Owners of and investors in Ohio businesses structured as pass-through entities (PTEs) that receive business income. PTEs are not taxed as a business by the federal or state government, instead those owners/investors receiving income from the business pay federal and state personal income taxes on that income. PTEs include:

- Sole proprietorships (Schedule Cs)
- Partnerships
- Subchapter S corporations (S-corps)
- Limited Liability Companies (LLCs)

Who Doesn’t Qualify: C Corporations.

Per the Ohio Department of Taxation, for taxable years beginning on or after Jan. 1, 2013, an individual taxpayer filing the IT1040 is allowed a deduction amounting to 50% of the taxpayer’s “Ohio small business investor income”

of up to \$250,000. The deduction cannot exceed \$62,500 for each spouse filing separately or \$125,000 for all other taxpayers. For businesses owned by only one spouse (a common situation), where the spouses file separately, it appears that only a \$62,500 deduction would be allowed (in other words, you would lose out on the other \$62,500 of deduction you would be entitled to if you filed jointly).

“Ohio small business investor income” means the portion of a taxpayer’s adjusted gross income that is business income reduced by deductions from business income and apportioned or allocated to Ohio under Ohio Revised Code (ORC) 5747.21 and 5747.22 to the extent not otherwise deducted or excluded in computing federal or Ohio Adjusted Gross Income for the taxable year.

As such, net business income as reported on the taxpayer’s federal 1040 Schedules C, E and F will be used in calculating the deduction. The deduction will be available on Schedule A of the IT1040.

Current guidance is that all income included on federal Schedule E will be subject to the deduction, regardless of passive vs. material participation considerations. For example, rental income reported on federal Schedule E should be subject to the deduction, as well as any income received as a shareholder or partner in an S corporation or partnership. However, the deduction as written does not apply to “nonbusiness” income (investments, includes rentals not classified as business income). Additional guidance should be coming in the next few months from the Ohio Department of Taxation on this issue.

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FASB proposes definition of public entity

After defining what a private entity is, FASB has now issued a proposed definition for public business entities.

The proposal amends the Master Glossary of the FASB Accounting Standards Codification® to include one definition of a public business entity for use in U.S. GAAP. It also identifies the types of organizations that would be excluded from the scope of the draft Private Company Decision Making Framework: A Guide for Evaluating Financial Accounting and Reporting for Private Companies once it is finalized. It will not affect existing requirements.

The definition of a public business entity would be used by FASB, the Private Company Council, and the Emerging Issues Task Force in specifying the scope of future accounting and reporting guidance.

Public business entities, as well as not-for-profit organizations and employee benefit plans within the scope of Accounting Standards Codification Topics 960 through 965 on plan accounting, would be excluded from the scope of the guide.

The proposed amendments would define a public business entity as an organization that meets any one of the following criteria:

- Is required by the SEC to file or furnish financial statements, or does file or furnish financial statements, with the SEC (including other entities whose financial statements or financial information are required to be or are included in a filing).
- Is required by the Securities Exchange Act of 1934, as amended, or rules or regulations promulgated under the Act, to file or furnish financial statements with a regulatory agency.
- Is required to file or furnish financial statements with a regulatory agency in preparation for the sale of securities or for purposes of issuing securities.
- Has (or is a conduit bond obligor for) unrestricted securities that are traded or can be traded on an exchange or an over-the-counter market.
- Its securities are unrestricted, and it is required to provide U.S. GAAP financial statements to be made publicly available on a periodic basis pursuant to a legal or regulatory requirement.

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More work for auditors in revised report model

It's been the same for 70 years, but it looks like the auditor's report is about to get an update.

The PCAOB has proposed a new auditing standard and related amendments to enhance the auditor's reporting model.

"This is a highly disciplined, highly rigorous, economically analyzed and justified proposal for a change that involves the most technical and the most focused aspects of audit conduct," PCAOB Chair James Doty said at a press conference.

The proposed standard would retain the pass/fail model in the existing auditor's report, but would provide additional information to investors and other financial statement users about the audit and the auditor.

The proposed auditor reporting standard would require:

- The communication of critical audit

matters as determined by the auditor

- New elements in the auditor's report related to:
 - o Auditor independence
 - o Auditor tenure
 - o Auditor responsibilities for the evaluation of other information outside the financial statements
- Enhancements to existing language in the auditor's report related to the auditor's responsibilities for fraud and notes to the financial statements

The biggest point of controversy is the definition of a "critical audit matter."

The board describes a "critical audit matter" as those issues that:

- Involved the most difficult, subjective, or complex auditor judgments
- Posed the most difficulty to the auditor in obtaining sufficient appropriate evidence
- Posed the most difficulty to the auditor in forming an opinion on the financial statements

However, there are still concerns about the subjectivity. What if the auditor and PCAOB inspector have different opinions?

Though he supported publication of the proposed standards to stimulate discussion, PCAOB member Steven Harris expressed concerns about the proposal.

"The language endorses a subjective standard in determining what a critical audit matter is," Harris said. "It is what the auditor determines it to be, not what it might be seen to be objectively."

Comments on the proposed standards and related amendments are due by Dec. 11. If you would like to be part of an OSCP task force to comment on the PCAOB proposal, please contact Laura Hay at Lhay@ohio-cpa.com. A fact sheet is also available at www.pcaobus.org.

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Municipal tax reform: Are you in or out?

The past two years have been a battleground in the fight for municipal income tax reform. On one side: representatives in many of Ohio's nearly 600 municipalities fighting to preserve a costly and inefficient system that's stunting business growth in Ohio. On the other: a number of forward-thinking state legislators and 30 organizations in the Municipal Tax Reform Coalition. Led by The Ohio Society of CPAs, Ohio Chamber and NFIB-Ohio, this group is pushing for a more equitable system that eliminates inefficiencies and red tape in return filings and spurs business investment.

It would be an understatement to say it's been anything but an uphill climb the entire way.

While we had hoped for a truly collaborative process, it's resembled more of a negotiating tug of war with opponents waging an all-out misinformation campaign, and painting an exaggerated picture in the media of Ohio post municipal tax reform. Despite that, we believe we've landed on a piece of legislation, H.B. 5, that will help improve Ohio's local tax compliance climate and therefore our state's economic development attractiveness.

The substitute version of H.B. 5 will require every city and village to follow the same definitions for not only filings, appeals, audits and assessments, but also NOLs (five years), partnerships (taxed at the entity level) and occasional entrants (moving from 12 to 20 days – with withholding in the “other” city starting on day 21), reporting to a single

city per day and eliminating tracking for employers earning \$1 million or less in gross receipts. Simplifying the system will also help to cut compliance costs for governments.

We knew it wouldn't be an easy row to hoe when we set out to form a coalition and drive for reform. But we did so knowing we had the strong support of a majority of our members. In a survey last year, 90% of respondents agreed that adopting more uniform rules governing Ohio's municipal tax structure was critical.

We've worked hard to keep you informed and engaged in the process. A small group of CPAs worked with the coalition to draft and revise legislation, taking cities' concerns into account. Others provided testimony during nearly 40 hours of hearings held over the past year.

Despite progress made, we need many, many more voices in the chorus. We've reached a critical juncture and we need hundreds of members to speak out publicly to help counter the howls of opposition coming from dozens of city officials across the state.

H.B. 5 is very close to a vote in the Ohio House – we may well see a House committee vote in early October, hopefully followed by a floor vote soon thereafter. But there are still many legislators on the fence about municipal tax reform.

It's not for lack of education by OSCPA and our Coalition partners.



But it's difficult to rise above the din of a consistently vocal opposition. Legislators have told us time and again that they hear plenty from municipalities on why H.B. 5 is bad for cities and bad for Ohio. But they aren't hearing the other side of the story from local CPAs and businesses.

If you think municipal tax reform is important, you can't afford to sit back. Don't expect your peers or someone else to make the contacts required to help pass this bill. Speak up now. We have a short window to make an impact—just a few weeks. With 21,000 CPAs, I know we can move this bill out of the House and on to the Senate.

Call or write to your local legislators today to ask for a yes vote on H.B. 5. OSCPA can give you all the tools you need to get your message delivered.

It matters to Ohio's future. Are you in or out?

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

Scott D. Wiley, CAE
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614.546.9430 (cell)
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Network and volunteer your way to a bright future

If you are majoring in accounting or are in the early stages of your career, you have a great opportunity. The demand for well-prepared accountants is high, so your chances for getting and keeping a job are great.

However, you can have much more than a job. You have the chance to embark on a rewarding career that makes a difference in the communities you care about. If you want your work to matter beyond the numbers, the financial statements and the spreadsheets, you can make it happen.

Here's how: start now. Your 20s are your developmental sweet spot and the perfect time to advance your education, build your professional networks and engage with people who share your values.

Seek mentors within and outside your current organization. Start by asking for advice from an experienced, trusted professional in your industry. Select someone who is a good role model, listens well and is willing to be honest with you. It's also helpful to find someone who is unlike you in a key way.

As your relationship develops, ask the person if he or she would be willing to meet regularly. You might be surprised to find how willing successful people are to share their knowledge and experience.

You can also learn from people you don't even know yet. You can meet new people through what are called our weak ties, our friends of friends of friends. That's where your membership in OSCPA can be so valuable. One good conversation could have an enormous effect on the rest of your life. With 21,000 members and affiliates,

there are many good conversations to be had here. So make a phone call, send an email or get involved in our Facebook or LinkedIn pages.

Another great opportunity is to be part of one of these programs from OSCPA and The Ohio CPA Foundation.

FETCH!® Financial Education Teaches Children Healthy Habits®

It's never too early to teach kids the connection between managing money and future success. On Nov. 13, OSCPA members will visit elementary classrooms throughout Ohio to help students understand that connection through FETCH! This game, which was created by The Ohio CPA Foundation, mobilizes CPAs to teach kids basic financial literacy concepts now so they can better manage their money later in life.

ACAP-Ohio Accounting Careers Awareness Program

Inspire minority high school students to major in accounting and consider careers in the CPA profession. Through ACAP-Ohio, the Foundation partners with the National Association of Black Accountants to provide a week-long residential college experience for minority high school students to help attract talented individuals and foster a more diverse and inclusive profession.

Financial Fitness Ohio

Train Ohioans how to whip their personal finances into shape. Through this public service campaign, CPAs provide tips and advice for taking charge of personal finances and meeting goals. We'll provide the resources, you provide the expertise, and together we'll work to improve the financial outlook for Ohioans.



Young CPA Initiative

Last fall, The Ohio Society of CPAs Young CPAs sent one or more YCPA volunteers to nine Ohio college campus career fairs. The group is now planning outreach activities for this fall.

In addition to OSCPA's CPA Day of Service, the Young CPAs will:

- Participate in American Heart Association Heart Walks.
- Serve meals to families in need.
- Collect donations for charity at group events.

The Ohio Society of CPAs is here to help you solve problems, give you a competitive edge and connect you with like-minded people – people who want to be more.

Learn more

FETCH! and ACAP-Ohio Accounting Careers Awareness Program

Jerad Wood at 800.686.2727, ext. 315; jwood@ohio-cpa.com

Financial Fitness Ohio

Jennifer Rieman at 800.686.2727, ext. 331; jrieman@ohio-cpa.com

Young CPA Program

Visit www.facebook.com/OhioYoungCPAs or contact Rebecca Hixen at 800.686.2727, ext. 326; or rhixen@ohio-cpa.com.



Navigating the health care excise tax

By Joe Bacon, CPA
Tax Partner, Grant Thornton LLP

The ability to ask the right questions is an indispensable tool, especially for executives whose companies are considering a merger or acquisition. The employer

mandate (and associated excise taxes) under the Affordable Care Act make it even more important to get answers before you proceed with a deal. Implementation dates have been updated to reflect recent changes, and all dollar amounts are indexed and subject to change.

What's at stake: Figuring out the tax

Beginning in 2015, employers with 50 or more full-time and full-time equivalent employees (including employees of related employers) may be subject to a monthly excise tax. In 2015, if employers offer health care coverage to less than 95% of their full-time employees during a given month and at least one employee goes



TAKEAWAYS

- ▶ Beginning in 2015, employers with 50 or more full-time and full-time equivalent employees (including employees of related employers) might be subject to a monthly excise tax.
- ▶ An employer-sponsored health plan must meet affordability and minimum value requirements to avoid a potential excise tax.
- ▶ If just one employee buys insurance through an exchange and qualifies for the credit or subsidy, the employer would be subject to paying the tax.
- ▶ Determining which employees are full-time is a complicated process that must be documented.
- ▶ If you ask the right questions about full-time status and employee coverage during due diligence, you can avoid surprises and excise taxes.

“
 You might think that deciding who is full time would be a simple exercise. It’s not.”

to an exchange and qualifies for a premium tax credit, the employers will pay an indexed excise tax. If the IRS had not delayed the

effective date by a year, the excise tax for 2014 would have been \$166.66 per month (\$2,000 per year) per full-time employee, minus 30 employees. The tax will apply to all full-time employees, not just the 5% who weren’t offered coverage. The tests to determine the 95% are month to month.

If employers do offer coverage to 95% or more full-time employees during a given month, the health plan must meet affordability and minimum value requirements to avoid a potential excise tax. The cost of health care coverage for employee-only coverage can’t exceed 9.5% of family income, generally based on one of three criteria: The cost to the employee must be equal to or less than 9.5% of W-2 wages, the rate of pay or the federal poverty line. To meet the minimum value requirement, the health plan must cover 60% of plan costs.

In 2015, employers who don’t meet the affordability and minimum value requirements would pay an indexed excise tax. In 2014, the tax would have been \$250 per month (\$3,000 per year). The tax is per full-time employee who purchases health insurance through an exchange and receives a tax credit or subsidy. If just one employee buys insurance through an exchange and qualifies for the credit or subsidy, the employer would be subject to paying

the tax. This tax is based on the number of full-time employees who receive a tax credit or subsidy, while

the tax described previously is based on the total number of full-time employees.

Deciding who is full time

You might think that deciding who is full time would be a simple exercise. It’s not.

Employees who work an average of 30 or more hours per week are considered full time, and full-time employees are counted in the 95% threshold calculation after three months of service. Underlying these simple guidelines, however, are complex rules. The IRS has issued hundreds of pages of regulations to help employers determine who the full-time employees are. Among the challenges: deciding whether workers are employees or independent contractors and classifying seasonal and part-time workers whose hours fluctuate. HR departments aren’t always involved with independent contractor status and issues, and it’s easy to misclassify workers. In fact, a *Wall Street Journal* article reported that recent IRS audits found a total of 12,000 misclassifications of independent contractor status.

The determination of your 95% is very important. If you are audited by the IRS, you will need to produce documentation of the process.

The Affordable Care Act & Other Federal Income Tax Updates

Sept. 30 | Columbus | Course #45449
 Sept. 30 | Webcast | 45640

In its landmark decision, the Supreme Court upheld President Obama’s signature health care bill, the Patient Protection and Affordable Care Act (PPACA), including the controversial individual mandate. The PPACA contains numerous income tax provisions already in effect and many more coming in 2014 and beyond. In this daylong seminar, J. Patrick Garverick, CPA, MT, CFP will illustrate the many federal income tax issues of the PPACA and other legislation affecting both individual and businesses.

Top 50 Mistakes Practitioners Make and How to Fix Them: Individual Tax and Financial Planning

Oct. 16 | Akron | Course #44484

Every practitioner has been confronted with a client who has a different twist on a tax plan or idea. This course focuses on the “law” in order to break down 50 situations in which a taxpayer has attempted to push one of these plans or ideas.

How to Settle an Estate for a Client: From A to Z

Beachwood | 10/22/2013 | 44506

This course enables the accountant to cut through the jargon to understand the legal concepts, communicate a real-world explanation to clients and serve – in some instances – as an executor or trustee or as an advisor to them. After taking this course, practitioners will feel more confident about serving in a fiduciary capacity.

Adding up the tax

Here’s an example of how the excise tax could accrue and affect an employer with 1,000 full-time employees: The

Continued on page 10 ►

employer offers health care coverage to 950 full-time employees to satisfy the 95% threshold. The IRS determines the employer should have included 20 more employees because of misclassifications. The excise tax would be \$1.94 million, and these nondeductible excise taxes would affect the employer's earnings before income, taxes, depreciation and amortization (EBITDA). Table A illustrates the number of employees who, if inadvertently not offered coverage, would trigger the excise tax. Table B illustrates excise taxes per year based on the number of full-time employees.

In 2018, the Cadillac tax, a 40% nondeductible excise tax on high-cost health coverage, will kick in. It will apply to coverage under a group health plan, excluding standalone vision and dental programs and programs funded exclusively by the employee's after-tax dollars. In essence, high value plans should also be considered.

“Despite the challenges, if you ask the right questions about full-time status and employee coverage during due diligence, you can avoid surprises and excise taxes.”

General questions to ask when acquiring another company

Despite the challenges, if you ask the right questions about full-time status and employee coverage during due diligence, you can avoid surprises and excise taxes. The following questions are a starting point:

- Does the target have 50 or more full-time and full-time equivalent employees?
- Does the target offer health care coverage to its full-time employees (those who work on average 30 or more hours per week)?

- Is the plan insured or self-funded? Beginning in 2015, insured plans will pay a premium tax of 2%–3%, which will increase thereafter. Self-insured plans are not subject to the premium tax.
- How does the target ensure that 95% of full-time employees are offered health care?
- Who established the procedures and processes?
- Were the procedures and processes reviewed by a competent, independent third party?
- Did the procedures and processes group and classify all types of individuals who received a W-2 or 1099 (independent contractors)?
- How are potential independent contractors reviewed to ensure they aren't common-law employees?
- Has the entity adopted the look-back measurement period process to determine full-time status?
- Has the target determined whether the coverage it offers to its full-

Tallying the tax	
Total number of full-time employees	Excise tax per year
100	\$140,000
250	440,000
500	\$940,000
1,000	\$1,940,000
5,000	\$9,940,000
10,000	\$19,940,000

Triggering the tax	
Total number of full-time employees	Number of employees triggering the tax (>5%)
100	6
250	13
500	26
1,000	51
5,000	251
10,000	501



time employees is affordable and meets the minimum value requirements?

- Has the target conducted a compliance assessment to determine whether it complies with all aspects of health care reform? If so,
 - o Was it conducted by an independent third-party?
 - o Were gaps identified during the assessment and subsequently fixed?
- Has the target documented its processes for identifying full-time employees and determining compliance with 95% coverage, affordability and minimum value requirements?

- Has the target performed a Cadillac tax assessment? If so,
 - o What is the current estimated exposure to the Cadillac tax?
 - o What steps were taken or are being taken to mitigate the risk of paying the Cadillac tax?

Sorting out responsibility

If the transaction is a stock purchase, the buyer would be responsible for the related health care fees, penalties and taxes of the acquired entity. Under an asset purchase, however, the target would be responsible for the health care

fees, penalties and taxes unless the purchase agreement allocated any potential pre-close liability to the buyer. In the sales

contract, the buyer might want to specify that it will scrutinize tax issues for a while before continuing the health program for the acquired employees. The buyer should also consider an explicit provision requiring the target to retain financial responsibility for any penalties, taxes and fees associated with the health plan.

Joe Bacon, CPA is a tax partner with the Cincinnati office of Grant Thornton LLP. He has 20 years of experience in public accounting serving clients in multiple industries and markets including private, public, domestic and global. He can be reached at 513.345.4520 or joe.bacon@us.gt.com.



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Professional ethics update 2013

By Laura Hay, CPA, CAE

A series of recent and upcoming changes from the AICPA Professional Ethics Division seek to make it easier for CPAs to fulfill their commitment to professionalism and responsibility to maintain public confidence. CPAs in public practice and business should review the changes to see how they apply to their practices.

Ethics codification

The AICPA Professional Ethics Executive Committee (PEEC) issued for exposure a revised Code of Professional Conduct comments on which were due Aug. 15, 2013. Restructuring the code to organize content by topic and provide for consistent drafting conventions, the

““ The addition of the conceptual frameworks for ethical questions other than independence is the most significant change in the codification ... ””

primary purpose of the codification is to allow users to apply the rules and reach correct conclusions more easily and intuitively.

“The codification makes it easier for the members to navigate all of the available ethics guidance,” noted Ellen Gorla, CPA, senior manager, independence & special projects, AICPA Professional Ethics Division. “Former authoritative and non-authoritative guidance is brought together by topic to provide a more robust experience for the member faced with the need to gather information for a quick and informed ethical decision.”

Rules of Conduct and Interpretations are retained in the restructuring, but the specific rule numbers are no longer

being used. For example, Rule 101, Independence, will now be referred to as the “Independence Rule” and its related Codification numeric citation. Ethics rulings have been eliminated and incorporated in Interpretations.

The numerical citation system for the code will be “ET section X.XXX.XXX,” referencing part, topic and subtopic.

Conceptual framework approach

In addition to the existing conceptual framework for independence, the restructured code incorporates conceptual frameworks for members in public practice and members in business. Certain interpretations have been recast to reflect the conceptual framework approach.



TAKEAWAYS

- ▶ The AICPA PEEC recently issued for exposure a revised Code of Professional Conduct designed to help members better locate and navigate relevant ethics guidance.
- ▶ The revised Code of Professional Conduct adds two new conceptual frameworks that help a member when they encounter a relationship or circumstance that creates threats to their compliance and when the code contains no specific guidance to help the member. The exposure draft projects an effective date of Dec. 15, 2014 for the revised code.
- ▶ PEEC adopted proposed revisions to the “Activities Related to Attest Services” section of Interpretation 101-3, “Nonattest Services,” under Rule 101, Independence. PEEC concluded that financial statement preparation, cash-to-accrual conversions and reconciliations are outside the scope of the attest engagement, and therefore are nonattest services subject to the general requirements of Interpretation 101-3.
- ▶ A clarification of the Interpretation on “Subordination of Judgment” under Rule 102, Integrity and Objectivity, became effective Aug. 31. The revision expands the interpretation to include examples for a member in public practice facing a disagreement or dispute with a client, employer, or on a volunteer basis.

LEARNING OPPORTUNITIES

Accounting and Reporting for Not-for-Profits: Avoiding the Headaches and Heartaches

Oct. 1 | Columbus | Course #44683

Oct. 1 | Webcast | Course #44685

This seminar is designed for CPAs and other financial professionals who work in not-for-profit to review financial reporting guidelines specific to nonprofits. Make sure you are aware of potential hazards that can cost your organization time and money.

Annual Update for Accountants and Auditors

Oct. 1 | Dayton | Course #44680

Oct. 2 | Cleveland | Course #44421

Nov. 19 | Toledo | Course #44557

Explore the factors that affect the quality, production and timing of financial information. Discover ways to accelerate your ability to collect and disseminate critical information to managers. This thought-provoking course enables you to examine the opportunities that a soft or virtual close can bring to an organization.

Clarified Auditing Standards: The More You Know...

Oct. 3 | Cleveland | Course #44692

Oct. 4 | Cincinnati | Course #44696

Oct. 11 | Columbus | Course #44715

Learn about the new Clarified Auditing Standards issued by the Auditing Standards Board. These standards supersede all previously issued Statements on Auditing Standards that you need to know. The course provides explanations, examples, and discussions on key issues, identifies areas that auditors and client management need to understand and provides practical advice for understanding the explicit new requirements brought about by the changes.



“... Employers should begin reviewing internal policies and training staff on how to implement the threats and safeguards approach to comply with the rules when there is no specific guidance for a situation.”

The conceptual frameworks are designed to help members when they encounter a relationship or circumstance that creates threats to their compliance and when the code contains no specific guidance to help the member. Using a threats and safeguards approach, the member should evaluate whether the circumstance or relationship would lead a reasonable and informed third party who is aware of the relevant information to conclude there is an unacceptable threat to the member's compliance with the rules.

“The addition of the conceptual frameworks for ethical questions other than independence is the most significant change in the codification,” Gorja said. “Employers should begin reviewing internal policies and training

staff on how to implement the threats and safeguards approach to comply with the rules when there is no specific guidance for a situation.”

While one goal of the restructured code was to retain the substance of AICPA ethics standards, some areas requiring needed revision were identified during the codification process. Substantive changes are summarized in the explanation section of the exposure draft.

The exposure draft projects an effective date of Dec. 15, 2014 for the revised code. An additional year is proposed for the effective date of the conceptual frameworks for public practice and business, so that members have additional time to work through the concepts of applying the conceptual

framework approach for ethical questions other than independence.

Continued on page 14 ►

Accounting & Auditing

section editor: Laura Hay, CPA, CAE

Nonattest services

PEEC adopted proposed revisions to the “Activities Related to Attest Services” section of Interpretation 101-3, “Nonattest Services,” under Rule 101, Independence. PEEC concluded that financial statement preparation, cash-to-accrual conversions and reconciliations are outside the scope of the attest engagement, and therefore are nonattest services subject to the general requirements of Interpretation 101-3.

“Preparation of financial statements has always been management’s responsibility,” Gorla said. “Whether or not financial statement preparation is conducted in conjunction with an attest engagement, the revisions make it clear that the member needs

to follow the general requirements of Interpretation 101-3.”

These revisions are effective for engagements covering periods beginning on or after Dec. 15, 2014.

Subordination of judgment

A clarification of the Interpretation on “Subordination of Judgment” under Rule 102, Integrity and Objectivity, became effective Aug. 31. The example in the former subordination of judgment rule applied to a member in business facing a disagreement with a supervisor. The revision expands the Interpretation to include examples for a member in public practice facing a disagreement or dispute with an employer, or on a volunteer basis.

“The revised subordination of judgment Interpretation clarifies the decision-making flow whenever a member faces a difference of opinion that could be a threat to compliance with professional standards,” Gorla said. “The Interpretation is much more specific on the steps a member should take to ensure that the situation is not a subordination of judgment.”

Conflicts of interest

PEEC was to vote at its August meeting on a possible exposure draft on a revision to the conflicts of interest interpretation. The revised interpretation would clarify responsibilities to evaluate conflicts of interest during the client acceptance process and provide guidance for

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OSCPAs largest event of the year is back! The Cleveland Accounting Show features over 90 sessions on everything from tax to financial planning and beyond. Attend both days, or pick one. This is your chance to get quality education and connect with your peers in the industry.

“ The ethics enforcement processes of the OSCPA and the AICPA are dependent on members and the public forwarding matters to the attention of the professional ethics committees of the respective organizations. ”

assessing conflicts of interest both in public practice and in business.

Other changes

Additional recent revisions to ethics Interpretations include a definition of a partner equivalent, effective for engagements covering periods beginning on or after Dec. 15, 2014.

Effective this past May, the definition of “holding out” was eliminated, and a revised definition of professional

services added, to clarify that all members are bound by the requirements of the code, whether or not they hold out as CPAs.

For more information, see the Professional Ethics interest area at www.aicpa.org.

Professional responsibilities

The ethics enforcement processes of the OSCPA and the AICPA are dependent on members and the public

forwarding matters to the attention of the professional ethics committees of the respective organizations. Complaints should be submitted in writing. For more information, contact Laura Hay, Lhay@ohio-cpa.com or Lisa Brown, Lbrown@ohio-cpa.com, liaisons to the OSCPA Professional Ethics Committee.

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

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Best practices for bringing in cash

By Mark Wilson, TermSync

It is no secret that shortly after the recession hit in 2008, many business owners were struggling just to keep their lights on. Access to additional financing, whether through debt or equity, was hard to come by. For many, growing the business took a back seat to simply staying in business.

As the economy has improved, however, businesses are growing and cash flow is increasing. According to a recent Gallup poll, those same small businesses that were struggling to survive are now experiencing a significant bump in their on-hand cash, which they can use to invest in marketing initiatives and equipment needs.

According to the study, owner optimism rates are the highest they have been

since December of 2008 — and that is only set to improve. Fifty-three percent of owners expect their business's cash flow to be very or somewhat good over the next 12 months. Smart business executives should take this trend with a grain of salt, and remember the lessons learned during the leaner times. Companies must stay focused on getting paid on time, even as they shift their focus and resources to business expansion.

There is no better time than now to secure proper procedures, which will ensure more sales and faster cash flow. During this time of growth, projects are expected to start whether or not the last one has been completed, meaning that cash flow is extra important.

Here are some first steps toward managing cash flow in this time of economic recovery and how to do so while maintaining a positive post-sale relationship with your customers.

Embrace technology: Even though most businesses track every metric through

the sales and marketing processes, the analytic approach is forgotten once a deal is closed. For accounts receivable, most executives only track how fast they're getting paid and how much they are writing off, which leaves out important metrics that can make a huge difference for business growth.

By tracking three additional customer interaction metrics — customer response time, invoice accuracy and customer satisfaction — you can paint a better picture of customers' post-sale experiences. Post-sale interactions often uncover issues from the customer's perspective, which offers an opportunity to improve the customer relationship. In doing so, you can expect faster payments and more repeat business.

Wondering how to complete these metrics while using your old Excel dashboards and sticky notes? Today's receivable software programs automatically track metrics like these and more. With most software vendors now offering a software-as-a-service model, the solutions can be rolled out quickly with little or no up-front investment.

Sophisticated businesses get paid faster. Your customers likely work with dozens or even hundreds of other vendors, and trust me, they know which vendors they can delay paying: those without formal processes. When it's time to decide who doesn't get paid on time, the decision is often based on who is going to take the longest to act.



TAKEAWAYS

Business executives should take some steps toward managing cash flow in this time of economic recovery. These include:

- ▶ Tracking customer response time, invoice accuracy and customer satisfaction to get a better picture of customers' post-sale experiences.
- ▶ Thinking of follow-up payment reminders as an opportunity to re-engage with your customers.
- ▶ Tracking the timeliness of employees' follow-ups with late-paying customers and let employees know you're doing so.

LEARNING OPPORTUNITIES

Occupational Fraud: Top 50 Tips on How to Prevent Executives, Managers and Employees from Stealing and Not Getting Caught

Oct. 7 | Dayton | Course #44700

Don't let your organization fall prey to fraud because of outdated controls. This course will provide you with the knowledge you need to implement effective and up to date controls that can combat fraud.

Accounts Payable Fraud: Overlooked Schemes and How to Detect and Prevent Them

Nov. 7 | Columbus | Course #44537

Nov. 7 | Webcast | Course #44538

Don't overlook the dangers of accounts payable (AP) fraud. AP fraud is an underestimated threat to ALL organizations. Today's reality is that businesses suffer hundreds of thousands of dollars of loss every time an insider commits fraud, billing schemes are the most common frauds threatening smaller companies, check fraud is rising at a rate of 25% per year and criminals are coming up with new high-tech ways of hijacking corporate accounts. This course will teach you to identify varieties of AP-related fraud schemes including fraudulent AP financial reporting, kickbacks/bribery, conflicts of interest, card fraud and more. You will also review anti-fraud controls to protect against the growing army of fraudsters both inside and outside organizations.

Cleveland Accounting Show

Oct. 30-31 | Cleveland | Course #44429

Oct. 30-31 | Webcast | Course #45582

The Cleveland Accounting Show is OSCPAs premiere event offering you the chance to earn up to 16 CPE credits and choose from over 90 sessions on hot topics in tax, A&A, ethics and more. Plus, network with hundreds of your peers, find business solutions with our many exhibitors and gain insight into the topics shaping the profession.



“ Companies must stay focused on getting paid on time, even as they shift their focus and resources to business expansion. ”

Combat the notion that following up with payment reminders is a negative by thinking of it as an opportunity to re-engage with your customers. They might be withholding payments because they had a question on the invoice. Because this is often the case, you can easily resolve payment disputes with a simple follow-up.

The problem that many companies face is that while in growth mode, employees are busy and cannot always call in a timely manner. Today's accounts receivable platforms allow businesses to automate payment reminders and provide self-service options within the email. With automated collections processes, your customers will know that you are serious about following up and tracking payment timing, placing your company on the list of who gets paid first.

Make sure everyone is onboard:

Rather than simply telling your team when to follow up with late paying customers, track the timeliness of their follow-ups and let your employees know

that you are doing so. This is most easily accomplished by using software to enter your workflow progress. When your team knows you are holding them accountable, they will reach out in a timelier manner, resulting in faster payments and improved cash flow.

In summary, there is no magic bullet when it comes to improving cash flow. Over the last few years, companies focused less on acquiring new customers and more on getting paid, albeit through poor collections processes. As mentioned above, growth periods create a whole new challenge for managing cash flow. Ensure you have not only the proper marketing and sales initiatives in place, but also proper post-sale processes.

Mark Wilson is the CEO of TermSync Inc., a cloud-based post-sale relationship solution. Before founding TermSync, Wilson was the corporate controller for a publicly traded software company, led the accounting, finance and operations functions at a software startup which sold to Microsoft, and worked for a large international CPA firm focusing on technology companies. He is CPA and he received his MBA with an emphasis in finance and his undergraduate degree in Accounting from the University of Wisconsin Whitewater.



Another retreat? Don't revisit the mission statement

By Rita Keller

In my line of work, I facilitate a lot of sessions dealing with a CPA firm's mission statement. It is often an in-depth, painful struggle with words, and in the end the mission ends up sounding like almost every other CPA firm mission statement.



TAKEAWAYS

Don't revisit your organization's mission statement at this year's management retreat. Instead, ask these Mission Questions, which zero in on your mission and higher purpose:

1. Why are we here in the first place?
2. What does the world need most that we are uniquely able to provide?
3. What are we willing to sacrifice?
4. What matters more than money?
5. Are we all on this mission together?

Quite a few years ago, I attended a presentation by a managing partner of a large firm I admired and respected. (I still do.) He used his firm's mission statement as part of the presentation. We were all impressed with it and how clever it was. It was one of those where the first letter of the first word of the bullet points spelled out a word (like QUALITY or SERVICE or CLIENT).

Honestly, I can't even remember the exact word that was used. But, when asked how he (and his partners or team members) came up with the clever mission description, at least he was honest. He said, "It's not rocket science. I found it somewhere on the Internet and just copied it." He advised the audience to not make it too difficult or waste a lot of time on the mission statement.

Doing my own research recently, I found that many of the larger accounting firms don't even list their "mission" on their website any more. I also discovered that many firms have one, but it is not prominent on their site. Also, smaller firms seem to feature their mission, vision and core values more prominently than mid- to large-size firms.

All of this is why an article on the Fast Company site by Warren Berger caught my eye recently. The title is, "Forget the Mission Statement. What's Your Mission Question?"

Mission Questions are questions that zero in on the mission and higher purpose of a company. These questions can provide a reality check on whether a business is staying true to what it

LEARNING OPPORTUNITIES

stands for and aims to achieve. Berger derived his questions after talking to several high-profile CEOs and leading business thinkers.

1. Why are we here in the first place?

Over time, firms can lose sight of what they first set out to do. Were you part of your firm in the “early years?” Has the excitement and fun disappeared?

2. What does the world need most that we are uniquely able to provide?

This is a great one for CPAs to ask themselves. After all, you are serving people.

3. What are we willing to sacrifice?

I find many partners are not willing to sacrifice personal comfort and compensation for the good of the “whole” (firm). I continually hear from accounting and support employees, “I am only allowed to go to one CPE class this year outside the firm.”

4. What matters more than money?

Many firms have focused on short-term gains and not so much on long-term

investment. When I survey partners and managers from all size firms prior to a retreat, they tell me, “The partners suck all the money out of the firm and don’t leave any for investing in the future.”

5. Are we all on this mission together?

This is the most important question partners can ask each other in 2013. I often discover partners who have lost the sense of what made their career journey meaningful in the beginning.

As you plan the agenda for this year’s management retreat, eliminate anything to do with the daily operations and don’t revisit the mission statement.

Focus on the big picture. Discuss, explore and debate the Five Mission Questions, especially number 5.

Rita Keller, president and founder of Keller Advisors, LLC is a nationally known CPA firm management consultant, speaker and author. She is a former shareholder and Chief Operation Officer of a successful, regional CPA firm and has more than 30 years’ hands-on experience in the management, marketing, technology and administration of a successful firm.

A&A Year in Review: Exploring the Latest Issues and Challenges Facing CPAs

Oct. 3 | Cleveland | Course #44693

Oct. 24 | Cincinnati | Course #44511

With so much going on in the accounting and auditing arena lately it’s easy to miss some of the more important issues and challenges facing the profession today and in the near future. This course will provide you with a year-in-review look at some of the more important matters to CPAs. We will identify and discuss specific areas within the profession that are likely to affect you and your clients. Examples and illustrations will be used along with hands-on exercises that allow you to “interact” with the issues to further enhance your understanding and application of the subjects presented.

Cleveland Accounting Show

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Oct. 30-31 | Webcast | Course #45582

The Cleveland Accounting Show is OSCPAs premiere event offering you the chance to earn up to 16 CPE credits and choose from over 90 sessions on hot topics in tax, A&A, ethics and more. Plus, network with hundreds of your peers, find business solutions with our many exhibitors and gain insight into the topics that are shaping the profession.



Master the next generation of tax changes with **OSCPA’s Gear Up** programs



Register today and get the education you need for tax season!

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Be your best for your clients. Get the latest updates on tax laws, court cases, IRS rulings and notices.

Oct. 22 – 23 | Cincinnati | Course #44427

Oct. 23 – 24 | Columbus | Course #44509

Oct. 24 – 25 | Cleveland | Course #44510

1040 Individual Tax Seminar

Learn about the newest tax laws, cases and rulings and important issues affecting your clients.

Nov. 5 – 6 | Cincinnati | Course #44528

Nov. 6 – 7 | Columbus | Course #44430

Nov. 7 – 8 | Cleveland | Course #44536

Affordable Health Care Act

NEW

Find out how the Affordable Health Care Act will impact your clients and review the changes to come.

Dec. 2 | Columbus | Course #45644

Dec. 2 | Webcast | Course #45645

For more information or to register, visit the OSCPAs Store at <https://store.ohioscpa.com> or call **CPAanswers**, your member service center, at **888.959.1212**.

CITP Credential builds value for CPAs working with IT

By Thomas Fantin, CPA/CITP

Several years ago, I found myself in an interesting situation. As I sat across the table from one of my most trusted clients planning their year-end audit and tax engagements, they began discussing their need for more sophisticated controls around their IT systems and asked if I knew of any consulting firms that could assist in this area.

Although I didn't have a degree or professional designation in an IT-related field, I thought to myself, "I have a lot of experience and knowledge about information management and technology, and this client knows that. Why wouldn't they ask for me to help?" Thus began a search to find additional tools and resources to help promote me as an IT specialist.

The professional world has many degrees, certifications, programs, etc. for information systems, but many of these certifications recognize only a narrow scope of skills. However, one certification stuck out as the best fit for me, as well as many others in our industry: the AICPA Certified Information Technology Professional (CITP) Credential. This credential is granted exclusively to CPAs who demonstrate considerable expertise in information

management and technology assurance through their knowledge, skills and experience. CITP Credential holders exhibit strong abilities in providing IT assurance, IT risk assessment, fraud, internal control, audit or information management services within their firm or for their employers.

The CITP credential:

- Positions the credential holder as a premier information management and technology assurance service provider.
- Enhances the practitioner's image as a competent, trustworthy information technology expert.
- Promotes a greater level of confidence for clients and employers.
- Demonstrates commitment to continuously improving IT accounting skills and expertise, resulting in increased professional competency.
- Increases opportunities for referrals from other practitioners, strategic

partners, employers and clients.

- Includes you in a community of CPA IT specialists with similar interests and practices.
- Distinguishes your practice or organization with the powerful combination of a CPA certificate and a CITP credential.

To qualify for this credential, new CITP applicants must:

- Be an AICPA member in good standing.
- Hold a valid and unrevoked CPA certificate or license issued by a legally constituted state authority.
- Pass the CITP examination.
- Have a minimum of 1,000 hours of business experience in information management and technology assurance within the five-year period preceding the date of the CITP application – experience must be related to the CITP Body of Knowledge.



TAKEAWAYS

- ▶ The CITP Credential is granted to CPAs who demonstrate significant expertise in information management and technology assurance.
- ▶ CITP Credential holders exhibit strong abilities in areas such as IT assurance, IT risk assessment, fraud, internal control, audit or information management services.
- ▶ Qualifications include at least 1,000 hours of business experience in information management and technology assurance and 75 hours of information management and technology assurance CPE within the five-years preceding certification.
- ▶ If you are a CPA with experience in IT, the CITP Credential might be a way to attract business to your organization.



LEARNING OPPORTUNITIES

The Digital Office - The CPA Technology Toolkit

Oct. 9 | Webcast | Course #45757

Identify the optimal configuration of hardware and software tools to provide your professionals. This course will provide a thorough overview of the tech solutions available and the ones that make the most sense to implement in your workplace.

Using the iPad and the Cloud to Manage Your Documents on the Go

Oct. 28 | Columbus | Course #44852

Oct. 28 | Webcast | Course #44875

This seminar will show you how to use the iPad and the cloud to view, edit and store documents. You'll also learn about the various apps available for note taking, document management and ways to enhance iCloud's storage services so you have access to your documents whenever you need them.

- Have 75 hours of information management and technology assurance CPE within the five-year period preceding the date of the CITP application. The education must be related to the CITP Body of Knowledge.
- Sign a declaration of intent to comply with the requirement of CITP recertification.

Since earning my CITP credential more than six years ago, I have found it to be very valuable. Most importantly, it has helped distinguish me as an IT specialist in my firm and in the community, and has also helped my firm attract new business.

Tom Fantin is a manager in the assurance services and transaction advisory services departments for SS&G, Inc. He can be reached at 330.668.9696 or TFantin@SSandG.com.

TECH TEST



How well do you know Microsoft PowerPoint ?

Take this test and find out now!

Tech Test By J. Carlton Collins, CPA

1

How do you edit every slide in just one step?

2

Can slides be adjusted to fit widescreen projectors and projection screens? If so, how?

3

How do you set slides to advance automatically?

4

How do you animate bars in an Excel chart to drop in one at a time?

5

How do you add Presenter Notes to a slide?

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

Answers:

1. From the **View** tab, select **Slide Master**, then edit the master slide as desired. Your changes will be reflected on all subsequent slides, including new slides you add.
2. Yes, from the **View** tab, select **Slide Size**, and select the **Widescreen** option.
3. From the **Transitions** tab, uncheck the box labeled **On Mouse Click**, check the box labeled **After**, enter the amount of time between slides in the time spinner, and click the **Apply To All** option.
4. Copy an Excel chart and paste it into PowerPoint. Apply an **Animation** to the chart, then select **Effect Options**, **By Data Series** (or **By Series** in 2013).
5. From the **View** tab, select **Notes Page** to display the notes page below the slide.

How did you do? To learn more about technology, the OSCPA invites you to attend a technology course, conference or webinar; or get involved in a technology committee or interest group. Why not sign up today? Next month, how well do you know Internet Explorer?

CPAs at the forefront in understanding health care law

The Affordable Care Act is complicated and expensive, and one industry expert said CPAs will understand the ramifications of that before the general public will.

According to figures from the Congressional Budget Office and the U.S. Census, federal per-capita spending to sustain the Affordable Care Act's coverage provisions is estimated to increase nine-fold in 2014, and then almost double again in 2015 before rising to nearly 40 times the current cost in 2022.

"Here's the scary part," said Rob Peirce, benefits and risk management consultant with the Oswald Companies. "Keep in mind these numbers were projected on how the law was supposed to run." Updated projections have the cost running much higher, he said.

Peirce spoke in August at an OSCPA seminar on the tax and insurance ramifications of the Affordable Care Act.

From a human resources perspective, employers must be prepared to deal with the auto-enrollment feature of the plan, which requires everyone to opt out – and pay a penalty – if they do not want to have health care coverage.

"When you really get into the purpose of this legislation, it's not about making health care more affordable, it's about accessibility," Peirce said. "They want people to have access to care."

That access will be bankrolled in part through younger, healthier participants. Peirce said the industry continues to uncover practical implications of that, such as seeing summaries of benefits and coverage doubling in size.

For those who opt out, individual insurance market penalties kick in next year, but with a starting rate of just \$95 per uninsured individual.

"In 2016, when that number jumps to \$695, people are going to start noticing," Peirce said.

"That penalty is one of the ways they are covering the cost of this legislation."

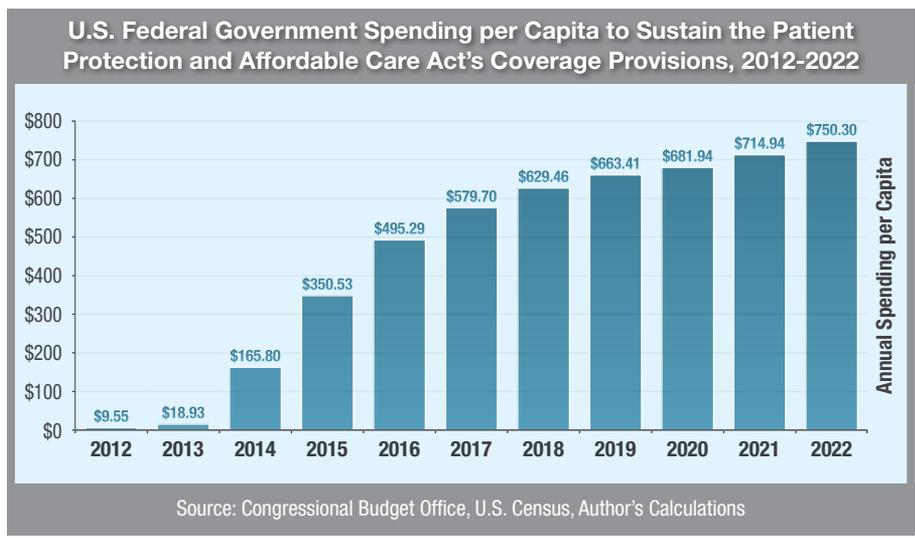
CPAs in personnel management need to do their homework now – and stay abreast of the news – to prepare for the continuing implementation of the law, Peirce said.

When the Affordable Care Act was passed in 2010, it required that companies with 50 or more full-time employees provide them coverage in 2014 or face penalties. But on July 2, the Obama administration announced it would delay that mandate by a year to allow the government time to simplify reporting requirements, and to provide businesses time to adapt to the changes.

It's important to note that not all provisions of the act have been delayed, however. Beginning Jan. 1, individuals and employees of small businesses will have a new option to buy health coverage through a new state or federally regulated private health insurance "marketplace." All employers must provide employees with notices describing the health insurance "marketplaces" by Oct. 1., when open enrollment begins.

"Get out to your employees and communicate to them about the marketplaces and about the subsidies and what it means for them," he said.

Contact Oswald Companies, at 614.744.4244 (toll-free 888.767.4548) or visit www.oswaldcompanies.com/risk-solutions/ohio-society-of-cpas for more information.



Don't let your firm's website be used against you

Monthly column from Oswald Companies

By Cody German, Barry Postman and Blake Sando of Cole, Scott & Kissane PA, Attorneys at Law

In this digital day and age, almost every accounting firm has an attractive website that touts the firm's expertise and experience in a wide range of services. Firms recognize that an impressive website can be an effective marketing tool to prospective clients, and can also help current clients determine additional services they might need.

You should beware, however: If a legal claim is brought against your firm, its website might serve as "Exhibit A" in support of the claim.

In particular, a professional services website often includes marketing words and phrases that are directed at putting the firm in the best light possible to its current and potential clients. Undeniably, this is a goal of the website. Yet, it's also undeniable that professional services websites are known to include "fluff" statements pertaining to the firm's capabilities and services. While your firm's marketing agency might extol the marketing benefits of such statements, your firm's lawyer would likely advise against them, and for good reason. You cannot anticipate that a jury will be capable of



deciphering the differences between a marketing tool and reality.

To reduce your firm's exposure in a claim, consider the following:

1. Does your website accurately reflect the services your firm is able and qualified to provide to its clients? For example, many accounting websites reference the fact that the firm provides financial advisement to its clients. Quite simply, unless your firm is truly capable of providing financial advisement to clients – and in fact does so – your website should not include such a statement. Otherwise, when a client's investment portfolio takes a hit, you may be sued for the investment decisions your client made without your guidance or input. In this case, your website will almost certainly be used against you.

2. If you are solely a tax accountant, don't include words such as "analysis," "scrutinize," or "examine," with respect to the services you provide to your clients. The preparation of tax returns generally permits an accountant to rely upon the supporting documentation provided by the client. Thus, an accountant would not be analyzing, scrutinizing, or examining

the supporting documentation. In the event a client's investment performs poorly, you don't want to be accused of being responsible for analyzing financial documentation provided by your client when preparing tax returns. Importantly, this point also applies to invoices related to the preparation of tax returns.

3. Keep your website updated. If an accountant's qualifications or scope of services provided to clients changes, make sure the website reflects these changes. If an accountant leaves the firm, make sure the website promptly removes his or her biography from the website. An outdated or inaccurate website might unnecessarily lead to trouble in litigation.

Oswald Companies is The Ohio Society's official partner for providing professional liability insurance. For more information about accountants professional liability insurance, please visit www.ohioscpa.com/OswaldRPG.

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FETCH! volunteer's efforts started with her own kids

By Ashley Hofer

Melinda Crone, CPA said she was inspired by her own children to participate in OSCPAs youth financial literacy programs.

"It first started when my daughter was just getting ready to start school, and we were all entering the education world together," said Crone, a sole practitioner in Marietta. "I was a stay-at-home mom working part-time at home, so when I saw the opportunity to be involved with the school and my job at the same time, it looked like a great opportunity for everyone."

Crone is now a veteran when it comes to volunteering for youth financial literacy. She has more than a decade of experience working with The Ohio Society of CPAs' volunteer initiatives, including each FETCH![®] program since its inception in 2010. She also volunteered with Accounting for Kids Day for many years before that.

She said volunteering with efforts such as FETCH! is important because of the effect it can have on children.

"You know how it was being a kid in school," she said. "It was always exciting having something new to do for the day. FETCH! is a really exciting program for kids to bring in the classroom, and they really do have fun with it."

FETCH! – an interactive game where student teams budget and make financial decisions for their pet dog – has allowed

students to learn financial literacy concepts in an easy-to-understand setting, Crone said. She recalled one group of students who became frustrated when their dog lost its leash.

"I told them, 'Don't you think your mom's ever been frustrated when you've lost your winter coat?'" Crone said. "We just try to make life applications."

“When I saw the opportunity to be involved with the school and my job at the same time, it looked like a great opportunity for everyone.”

As a volunteer at Marietta Middle School, Crone said some of her favorite moments in the classroom included playing the game with her own two children.

"Some of the most exciting times were when my kids were finally in that grade," she said. "It was always fun when I was able to (play the game) with them and their friends, although it was kind of embarrassing for them!"

The program statistics speak to the dedication of volunteers like Crone. In its first three years, FETCH! has reached nearly 33,000 children through the efforts of more than 3,800 volunteers. Based on pre- and post-game quizzes,



student knowledge of financial concepts improved through participation.

"It's exciting knowing that I'm part of that bigger scheme and that there are that many kids being helped," Crone said.

FETCH! introduces financial literacy concepts at the right time in kids' lives, she said, because the game's target audience – fifth- and sixth-graders – are probably starting to earn allowances and have their own spending money.

"I think it's important to that age group that they're starting to realize that money doesn't grow on trees," Crone said. "It's a perfect time in their lives for them to learn money concepts and how it actually does apply to real life."

Beyond making a difference in the kids' lives, FETCH! is rewarding for the volunteers, too. Crone encouraged other CPAs to get involved with programs at their local schools.

"You can't go wrong doing it," she said. "You're missing out on a great opportunity if you don't."

Ashley Hofer is a communications intern for The Ohio Society of CPAs.



Janice Worthington helping a student.

Free career coaching sessions available to members

Register for a FREE 45-minute session with OSCPA's Career Coaches Janice Worthington, MA, CPRW, JCTC, CEIP, president, or Jeremy Worthington, CARW, CCTC, vice president, of Worthington Career Services.

You'll have the opportunity to ask them questions on how to take your career to the next level. You can meet in

person or via conference call when Janice is at OSCPA's office in Dublin.

Private sessions are available on:

- Oct. 7 (OSCPA office in Dublin)
- Oct. 30-31 (Cleveland Accounting Show)
- Nov. 14 (Columbus Accounting Show)
- Dec. 10 (OSCPA office in Dublin)

These appointments are reserved exclusively for OSCPA members. Call CPAnswers, your member service center, at 888.959.1212 to register.



TWITTER — FACEBOOK — LINKEDIN — YOUTUBE — FLICKR — BLOG

Stay in the loop by connecting with OSCPA social media! Link your personal profiles to OSCPA and keep yourself up to date with the latest news, CPE, and topics that other CPAs are talking about right here in Ohio.

Just like you, OSCPA remains ahead of the game with social media trends. By incorporating our company pages, it can help to grow your network and expand your profile.



Facebook

"Like" us on Facebook:
www.facebook.com/oscpa and
www.facebook.com/ohioaccountingshow



Twitter

Follow us on Twitter:
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LinkedIn

Connect with us on LinkedIn:
<http://tinyurl.com/OSCPALinkedIn>



YouTube

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www.youtube.com/user/TheOhioSocietyofCPAs



OHIO ACCOUNTING SHOW CLEVELAND



30
OCT.
31
2013



Prepare for the challenges of tomorrow at the **Cleveland Accounting Show**

At the 2013 Cleveland Accounting Show, you'll have the opportunity to choose from more than 90 sessions on the latest developments in taxes, accounting and auditing and more.

Two new CPE tracks – Intuit® and Human Resources – will make their debut this year as the two-day event returns Oct. 30-31 to the I-X Center.

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

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

- Get the latest information on tax, A&A, leadership and more from Jerry Esselstein, CPA, Matt Kadish, J.D., LL.M., Mark Patrick, CPA, CVA, Missia H. Vaseleaney, J.D., CPA (inactive) and more
- Find out how to become a financial planning expert in our Financial Planning track, led by the AICPA
- Learn the latest news on health care reform regulations
- Explore the hottest topics for corporate CPAs
- Get the most recent updates on FASB
- Review the new private company standards and proposed OCBOA standards
- Identify internet security risks

- Become an iPad expert with specialized sessions led by CPA Crossings, and discover new Excel tips and tricks
- Learn leadership and team building techniques
- Fulfill your three-hour ethics requirement, network with your peers and enjoy fun extras like the TechieBytes Wi-Fi Lounge, great exhibitors and career coaching.

The show will include the latest in not-for-profit and technology education, offering CPAs a chance to get the most relevant information on key CPE topics from the industry's leading minds.

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



THE OHIO SOCIETY OF CPAs
CPA Welcomes you!





Volunteer today, be healthy tomorrow

Volunteering provides major health benefits, according to recent research from the Corporation for National and Community Service. When you volunteer you can lower your mortality rate and have greater functional ability and lower rates of depression later in life than those who don't volunteer.

The Ohio Society can help you get started volunteering today with a variety of options, including:

- CPE Conference Advisory Committees
- FETCH!® – Financial Education Teaches Children Healthy Habits® (Nov. 13)
- Not-for-Profit Connection
- Operation CPA
- Public Company Subcommittee of the A&A Committee

Find out more about these programs and much more on OSCPAs website at www.ohioscpa.com/volunteer.

Join the Fun!

Team up with other CPAs
Wednesday, November 13
to teach FETCH!® in a local
elementary school.

Financial Education Teaches Children Healthy Habits® (FETCH!) is a fun and educational game for 5th and 6th graders that teaches budgeting, saving and smart spending. FETCH! is convenient for both volunteers and teachers and requires just two hours in the classroom.

Volunteer today!

Visit www.OhioCPAFoundation.org
or call 800.686.2727.



Summer Getaway CPE Conference

CPAs earn CPE while getting away with their families

By Gary Hunt

It's not often that CPE and family fun have a chance to mix, but a happy group of CPAs were glad it did in August at the Kalahari Resort and Waterpark in Sandusky.

"This is really family friendly," said Eva Chung, as she enjoyed a magic show with her four children and husband. "I told my supervisor I didn't know The Ohio Society does this kind of conference."

The following morning Chung – a CPA at American Share Insurance in Dublin – was earning CPE with her fellow accountants while their families frolicked a few corridors away.

"It's time to renew my license, and this is a good chance to finish my ethics class," she said. "Also, I have a family, and they can be right here."

The event was OSCPAs Summer Getaway CPE Conference, and Denise Nahvi, OSCPAs manager of education and training, said it has been in discussion for more than a year.

"We wanted to bring back a destination conference, and include a family element so CPAs can earn their CPE and still enjoy some family fun," Nahvi said. "Kalahari was the place to go for that."

The massive facility is home to the largest indoor water park in the U.S., with nearly 600 guest rooms, several restaurants and a convention center. Attendees received a special room rate – which included four passes to the waterpark – and they could opt to stay through the weekend at the same nightly rate.

Kristi Blausey, CPA, MBA of Landaker & Associates, Inc. of Westerville frequently earns CPE through the Society, but realized this opportunity was different.

"My coworkers were talking about it one day at an accounting show," Blausey said. "I came so that I could bring my niece and nephews."

"It's nice to get out with family," she said. "Maybe one of these guys will turn into an accountant one day."

Tracy Allison, CPA of Perrysburg brought her husband and two small children.

"I love it," she said. "There's still time I can spend with them, and they can have fun while I'm here getting CPE. We're making a fun weekend out of it."

Eleonore Roztas, CPA, a sole practitioner from Vermillion, attended with her husband, son and three grandchildren. A member since 1992, she appreciated the chance to mingle with fellow CPAs in an informal environment.

"I think this is nice because of the socialization and networking and camaraderie with other CPAs," Roztas said. "That's very important."

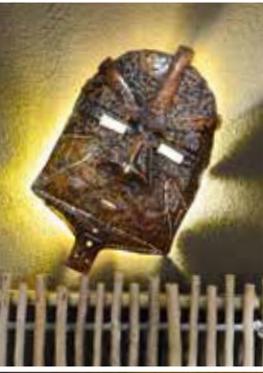
Nahvi said OSCPAs is considering similar events in the future.

"Every person we talked to had great things to say about this conference," she said.

That included Chung, who said the destination made the travel worthwhile.

"I want to thank The Ohio Society for running this kind of event, especially during the summer break," Chung said. "It was a great idea."

Continued on page 30 ►



Fun destination, serious CPE

In addition to the family fun, OSCPA's Summer Getaway CPE Conference boasted some serious CPE, with topics ranging from ethics to the economic forecast.

In a federal tax update, Mark Patrick, CPA, CVA of Nichols Patrick CPE, Inc. was both an expert and a teller of interesting courtroom stories – the conclusion of which revealed important lessons for CPAs.

In one case, a hospital was offering loans to physician recruits, and if the physician worked there

for five years, the loan and all interest would be forgiven.

Not so fast, said the federal government.

“The question is, was this truly bona fide debt?” Patrick said. “The evidence would show, in this particular case – the company knew it, the physicians knew it – there was no intent to repay that debt.”

So, the court ruled that the “loan” could be taxed as income. In order to be considered a loan,

Patrick said, there must be an “unconditional promise” to repay the debt.

He said CPAs should be on the lookout for ramifications of the Supreme Court's ruling in the Defense of Marriage Act. In June the high court struck down section three of the act, paving the way for the federal government to recognize for federal tax purposes same-sex marriages. At the same time, the court left intact section two, which says that states could determine how they recognize marriage.



“This is something that is really going to affect us as tax practitioners, believe it or not,” Patrick said. “It’s a very complex issue, and it’s going to affect us in many different ways.”

In an update on gadgets and gizmos, OSCPA’s Chief Technology Strategist Christopher Jenkins CAE, CISSP, CCNA, MCSE, said the future promises computers you can wear and that can predict what you want to do.

“The next generation of technology isn’t technology you think about,

it’s just there,” Jenkins said. Interconnectivity between our many devices will eliminate the need for most people to own hard drives, he said.

“The future is a hybrid,” Jenkins said. “Business will still require local data. At home you won’t need to store data.”

The use of “augmented reality” will increase, as software becomes able to be tailored to an individual’s tastes and location. He admitted the implications of that are mixed.

“We’re already taking the data that’s around us and integrating it into things we are doing,” Jenkins said. “You can use your iPhone to look up nearby restaurants.

“What Google and Microsoft are working on now is predictive search,” he said. “What they want is to get rid of the search box, and the software knows what you want without it... Such technology is amazing, useful and creepy.”

For other great CPE opportunities, search the OSCPA Store at <https://store.ohioscpa.com>.



OSCPA Spotlight Events

Financial Planning Conference

Oct. 4 | Independence | Course #44699

Designed for those who work directly with clients, providing financial planning and guidance, OSCPAs Financial Planning Conference provides a comprehensive learning experience on proven methods for helping clients achieve their financial goals. You will learn all the elements required to become a trusted advisor with the latest critical information on tax, social security, planning techniques, securing data and more.

- Learn basic and advanced financial planning concepts and techniques
- Discover a breakthrough approach to integrated estate, financial and asset protection planning
- Get an individual tax update and participate in a practical discussion on federal income taxation of estates and trusts
- Review tax and financial planning for the everyday client

Practicing Aspects of Compilation and Review

Oct. 16 | Dublin | Course #44486

Oct. 16 | Webcast | Course #44487

Get the tools you need for your compilation and review engagements. Learn the latest on SSARS and other standards that apply to compilation and review engagements as well as effective planning, performance, report preparation and how to make adequate disclosures. OSCPAs Practicing Aspects of Compilation and Review Conference is designed for firm staff who might be new to performing compilation and review engagements, as well as those who need a comprehensive refresher course.

- Understand the theoretical framework for compilation and review engagements
- Get the basics on performing a compilation engagement and issuing an appropriate report
- Learn to perform a review engagement and issue an appropriate report
- Review the cash and income-tax basis of accounting
- Review SSARS 19 requirements and get the answers to a number of practical implementation questions for the new reports
- Get an update on SSARS 20
- Cover the new U.S. GAAP issues and recurring issues that have created problems for firms
- Discuss fair value, consolidations, and interest rate swaps — together with proposals for change in some areas
- Focus on the AICPA Ethics Codification Project and its convergence with the IESBA Code. Special attention will be given to the effects of recent rulings on smaller CPA firms
- Avoid common peer review deficiencies and get an update on peer review developments
- Wrap up the day with an intense session that covers performing engagements under attest standards, the requirements of SSAE's Nos. 10-14, differentiating between forecast and projection, how to develop a forecast and a practitioner's responsibility for accuracy and disclosure of assumptions

Members in Motion



Marie Brilmyer, CPA, M.Acc.



Kelly Nizzer Bates



Kyle Brockmeyer



Brian Denlinger, CPA



Lesley Keller, CPA, MT



Kristin Maloney, MBA



Judith A. Mondry, CPA, CVA



Lorani Orobityg, CPA



Adam Titus



John Venturella, CPA, J.D.

AKRON

CRISTINA BEACHAM has joined SS&G as a senior associate in the assurance department.

MARIE BRILMYER, CPA, M.ACC. received the Greater Akron Chamber's 30 for the Future award, which recognizes the success of young professionals in the region. Brilmyer is an associate director at SS&G.

LESLEY KELLER, CPA, MT joined BCG & Company as senior manager in tax services.

KELLY NIZZER BATES, director of administration at Schlabig & Associates, Ltd, was recently elected president of the Ohio Chapter of the Association for Accounting Administration.

BOARDMAN

RACHEL LEEDY has joined Hill, Barth & King LLC as an associate.

CANFIELD

JESSIE C. WRIGHT, CPA, CGMA was promoted to senior team accountant at Schroedel, Scullin & Bestic, CPAs and Strategic Advisors.

CLEVELAND

APRIL M. HERNER, CPA has joined McManus, Dosen & Co. as part of the audit services group.

JUDITH A. MONDRY, CPA, CVA was named partner at Walthall, Drake & Wallace. She becomes the first female partner in the firm's history.

COLUMBUS

BRIAN DENLINGER, CPA was promoted to senior accountant at Brady Ware & Company.

LORANI OROBITG, CPA was promoted to senior accountant at Brady Ware & Company.

DAYTON

KYLE BROCKMEYER was promoted to senior accountant at Brady Ware & Company. He joined the firm as an intern in 2011.

KRISTIN MALONEY, MBA was promoted to senior accountant at Brady Ware & Company.

ADAM TITUS was promoted to senior accountant at Brady Ware & Company.

JOHN VENTURELLA, CPA, J.D. was named chair of tax services at Clark Schaefer Hackett. He has been with the firm since 1989.

PENNSYLVANIA

STEVE MEYER, a graduate from Youngstown State University, has joined Hill, Barth & King's Hermitage office as an associate.

The Ohio CPA Foundation



Investing in the Future

2012-13 Annual Report

Letter from the Chair

“Investing in the future.”

Five years ago when The Ohio CPA Foundation unveiled its new logo, I didn't realize how much meaning that new tagline would have on what we do, how we operate and how we plan for the future.

But investing in the future is exactly what The Ohio CPA Foundation does every day through important and meaningful programs that teach students critical financial literacy skills and open students' eyes to rewarding careers in accounting. For The Ohio CPA Foundation, investing in the future means investing in students, investing in the communities where we live and work and investing in the CPA profession.



Together, we made a difference. And I don't say that lightly. I say that with purpose and intent because it's true. It's the impact we're having on each and every individual touched by a Foundation program that has made a difference.

At this summer's ACAP-Ohio program, 16-year-old Stevontay Davis from my hometown of Cincinnati was presented a college scholarship at the ACAP closing banquet for his exceptional performance during the week. After the banquet, Stevontay said “that was the proudest moment of my life.” By participating in ACAP-Ohio, he now has a support network

of mentors standing ready to help him make the transition from high school to college, connect him with internship opportunities and guide him as he makes decisions about his future education and career.

That's impact. That's making a difference. And that's exactly how The Ohio CPA Foundation is investing in the future.



Together, we made a difference

During my first year as chair of The Ohio CPA Foundation, I had the privilege of leading this great organization with the support of dedicated Board members and staff, hundreds of volunteers who teach in the classroom and open their doors to curious students, and donors who make every program possible with their financial support.

Stevontay's ACAP-Ohio experience is just one of the many ways The Ohio CPA Foundation is investing in the future and making a difference. I invite you to read the Year in Review in this report to learn about all of the Foundation's initiatives and how they are impacting students, communities and the CPA profession.

Honoring a legacy

This past year, Clarke Price, The Ohio Society of CPAs' former president and CEO, retired after 40 years of exceptional service to OSCPA and the CPA profession. To

honor Clarke's service and preserve his legacy, The Ohio CPA Foundation created the Clarke Price Accounting Scholarship Endowment. The endowment serves as a permanent tribute to Clarke's outstanding commitment, service and dedication to OSCPA, The Ohio CPA Foundation and the CPA profession throughout his four-decade career. It honors Clarke's tremendous career by providing scholarships to students who exemplify the qualities and characteristics that reflect his legacy – leadership, innovation, commitment and passion.

In the course of just a few months, OSCPA members and other friends of Clarke contributed a collective \$100,000 which will be permanently endowed so that, for years to come, students can benefit from these gifts as they pursue their accounting degree and aspire to become CPAs.

The Clarke Price Accounting Scholarship fund is investing in students and in the future of the CPA profession. To the hundreds of donors who contributed to this endowment, thank you! We look forward to awarding the first scholarship from this fund in the coming year and sharing that news with you and the many friends of Clarke Price.

The future is now

As I think about the year ahead, I take great comfort in a few simple truths: The Foundation and the work that we do is relevant – now more than ever; the Foundation is guided by an accomplished, dedicated Board of Trustees who bring their knowledge, experience and passion to all that we do; and my fellow OSCPA members answer the call – every time – to support the Foundation with their time and resources. With this in mind, I know we can continue to make a difference and have a real impact on students, communities and the CPA profession.



We have an exciting year ahead with programs and events already in the works and on the calendar. There are a variety of ways to get involved and be a part of the Foundation's

investment in the future. Spend a couple of hours in a classroom playing the FETCH! financial literacy game, share your story at a High School Accounting Career Day, mentor an ACAP-Ohio student or serve on a Foundation committee. And if you've never given to the Foundation, I encourage you to read further to see how your financial gift can truly make a difference in a student's life.

To all of the Foundation volunteers and donors, I extend my sincere thanks and appreciation for your support. You have

shared your time, your expertise and your resources – you've invested in the future and you've made a difference!



Together, we can do so much more to advance financial literacy education in Ohio and guide the best and brightest students to rewarding careers in the CPA profession. I look forward to the year ahead and invite you to invest now and join The Ohio CPA Foundation in our efforts to build a better future.

Valerie Krueckeberg, CPA
Chair, The Ohio CPA Foundation

2012-13 Year in Review



FETCH!® makes learning fun

The third-annual FETCH! program reached more than 12,000 students in 2012 with nearly 1,500 volunteers statewide teaching kids how to be money-smart. FETCH!, which stands for Financial Education Teaches Children Healthy Habits®, helps meet the growing need for financial literacy education in Ohio by helping students learn important skills like saving, budgeting and smart spending. Based on the concept of owning and caring for a pet dog, the FETCH! game engages students in a fun,

interactive activity while illustrating the consequences of every-day financial decisions.

Developed for 5th and 6th grade students in 2010, the FETCH! program is offered free of charge to schools in Ohio. Volunteer teams spend two hours in the classroom facilitating the game and having candid conversations with students about money.

“Volunteering for FETCH! was one of the greatest experiences I have ever had with kids,” said Dana Raponi with Cohen & Company in Cleveland. “The students truly enjoyed having us in the classroom and had a ton of fun playing FETCH! It was actually harder to get them to calm their excitement than it was to teach them financial literacy and accounting.”

Teachers appreciated the local volunteers who visited their classrooms and agreed that the FETCH! game works. “Thank you so much for bringing FETCH! to our school. The program was hands-on and understandable at the students’ level,” said Ginny Cochran, 5th-grade teacher at Harmar Elementary School in Marietta. “It gave the kids a much better understanding

of real life, and they could all relate to caring for pets. The volunteers were great at helping and fit right in to the classrooms.”

Created as an opportunity for CPAs to get involved and make a positive difference in their communities, FETCH! is now The Ohio CPA Foundation’s largest volunteer outreach initiative with nearly 4,000 volunteers participating over the last three years. CPAs and other volunteers are using the FETCH! game to invest in the future of the students in their communities.

Diversity initiatives educate and inspire

As the communities where we live and work become increasingly diverse, so must the CPAs who serve these communities. By partnering with organizations such as the National Association of Black Accountants, The Ohio CPA Foundation is making strides in reaching diverse students throughout the state and encouraging them to consider careers in accounting.

This past year, The Ohio CPA Foundation reached hundreds of diverse students through a variety of educational programs including ACAP-Ohio, ASPIRE!





Investing in the Future

and the Accounting Scholars Leadership Workshop. Each program had a unique target audience, but all shared the goal of showcasing the best the CPA profession has to offer and demonstrating to students how a career in accounting – as a CPA – can be personally and professionally rewarding.

ACAP- OHIO

ACCOUNTING CAREERS
AWARENESS PROGRAM



ACAP-Ohio

The Accounting Careers Awareness Program (ACAP-Ohio), a week-long summer camp designed for minority high school students, immerses participants in the business world while giving them a taste of college life.

Hosted at The Ohio State University, ACAP-Ohio gives students the opportunity to explore accounting careers in depth while connecting with CPAs and other business professionals in their offices and in the classroom.

In June, ACAP-Ohio hosted a full class of 45 students from throughout the state. Albert Damsi, a student at Perrysburg High School near Toledo, called ACAP-Ohio an amazing opportunity.

“The things I learned have opened my mind,” Damsi said. “I am so focused now on accounting and finance and the business field.”

Damsi, who seized every opportunity during the week to connect with and learn from ACAP speakers and other volunteers, was presented a \$500 college scholarship at the closing banquet. After the banquet, with his parents at his side, Damsi expressed his appreciation for the ACAP-Ohio experience.

“I thank ACAP-Ohio sincerely from the bottom of my heart for all the marvelous speakers we had the chance to listen to,” he said. “I have never learned so much in one week, honestly.”

ACAP-Ohio has reached promising students like Damsi for nearly 20 years. The program is made possible by generous contributions from the Accountancy Board of Ohio, CPA firms and other businesses and organizations that hire accountants and support the Foundation’s efforts to attract diverse students to CPA careers.

ASPIRE! Diversity in Accounting

Reaching diverse students studying accounting at the community college level is what ASPIRE! is all about. Created by The Ohio CPA Foundation, through funding provided by the Accountancy Board of Ohio, ASPIRE! gives students the tools, resources and connections they need to help them take their two-year education to the next level.

With the goal of encouraging students to pursue a bachelor’s degree and the 150-semester hours required to take the CPA exam in Ohio, ASPIRE! reaches a diverse audience of students including many non-traditional students pursuing a new career. This past year, ASPIRE! was hosted at Cuyahoga Community College, Columbus State Community College and Lorain County Community College.



The Ohio CPA Foundation

Stephanie Johnson, accounting student at Lorain County Community College in Elyria, attended the ASPIRE! event last September at the recommendation of her accounting instructor. After the event, Johnson was even more excited about accounting.

“The event was very helpful,” Johnson said. “I learned that there is so much you can do in accounting – and I want to do it all.” She added that she now wants to become a CPA to broaden her career path for the future.

Through ASPIRE!, The Ohio CPA Foundation is expanding its reach on college campuses throughout the state and inspiring the next generation of accountants to pursue the CPA license.

Accounting Scholars Leadership Workshop

The Ohio CPA Foundation and OSCPA this past spring partnered with the AICPA to present the Accounting Scholars Leadership Workshop (ASLW) in Dublin, Ohio. ASLW is an all-expense paid program for diverse accounting majors who plan to pursue the CPA designation. During the program



accounting majors from Ohio and neighboring states – participated in the program, which was fully funded by the AICPA Foundation.

Recruiting for a vibrant future

The Ohio CPA Foundation is working diligently to ensure a healthy and vibrant future for the CPA profession. With the coming exit of Baby Boomers from the workforce, recruiting the next generation of talent is critically important. Through career awareness and scholarship programs, the Foundation is building a better future for the CPA profession.

Student Ambassador Program

The Ohio CPA Foundation’s Student Ambassadors reached out this past year to thousands of their peers on 12 college campuses to share their excitement for accounting and dispel stereotypes. Through a variety of events, presentations and information sessions, the Student Ambassadors helped undecided students understand the benefits of majoring in accounting.

“Being a Student Ambassador has been one of the most rewarding experiences of my college career,” said Jacob Nix, Student Ambassador at Bowling Green

students participated in classroom sessions, panel discussions and interactive workshops led by OSCPA members and volunteers.

The two-day event was designed to help students improve leadership and communication skills, learn how to enhance professional success, obtain knowledge of how to succeed as a CPA and prepare for the steps that follow graduation.

Rahul Malhotra, a graduate student in accounting at The University of Akron, said the experience built his confidence in being able to pass the CPA exam. He said he also learned about the importance of diversity. “It makes you look at the accounting profession from different perspectives,” Malhotra said, adding that the program helped him see how diversity and diverse individuals bring fresh ideas to the table.

Nearly 40 students – current sophomore, junior and senior



“There are a variety of ways to get involved and be a part of the Foundation’s investment in the future. Spend a couple of hours in a classroom playing the FETCH! financial literacy game, share your story at a High School Accounting Career Day, mentor an ACAP-Ohio student or serve on a Foundation committee.”

State University. “For a lot of students, accounting isn’t even on their radar. But, after explaining all of the opportunities and career paths you can take with an accounting degree – and explaining why I chose it – I’m able to help students make more informed decisions.”

Student Ambassadors have served for the past 12 years as the face of the CPA profession on Ohio’s campuses. They have played a critical role in sharing information about accounting careers and helping fellow students understand the breadth of opportunities that come with an accounting degree – and the CPA license.

Participating universities were:

- Bowling Green State University
- Case Western Reserve University
- Cleveland State University
- Kent State University
- Miami University
- The Ohio State University
- Ohio University
- University of Cincinnati
- The University of Toledo
- Wright State University
- Xavier University
- Youngstown State University

For the 2013-14 school year, the Student Ambassador Program will expand to three additional universities, adding Ashland University, The University of Akron and University

of Dayton. Funding from The Ohio CPA Foundation provides a monthly stipend and activity budget for each Student Ambassador.

Scholarship Program

Helping future CPAs complete their accounting education with less financial burden is the cornerstone of the Foundation’s statewide college scholarship program. This year, the Foundation awarded \$2,000 scholarships to five of Ohio’s finest accounting majors. Those scholarship recipients were then invited to participate in the Scholarship Day competition where the winner earned an additional \$3,000 award and the runner-up received an additional \$1,500 award.

“Thank you for selecting me as a recipient in the Foundation’s college scholarship program,” Emily Topp wrote to the selection committee. “I am honored to have been chosen for this award, and I am thankful that it will help me in my pursuit of a Master’s in Accounting at Ohio State University.”

The Foundation is committed to helping Ohio’s accounting majors – future leaders – become one step closer to realizing their goals. By recognizing and awarding promising students who are committed to CPA careers, the Foundation is investing in the future of the CPA profession.



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The Ohio CPA Foundation Statement of Activities

Year ended April 30, 2013
(with comparable totals for April 30, 2012)

UNRESTRICTED NET ASSETS	2013	2012
Revenue		
Donated services	\$ 83,000	\$ 97,000
Contributions	25,000	46,000
Investment income/(loss), net	9,000	-
Released from restrictions - net assets	75,000	77,000
Total revenue	<u>192,000</u>	<u>220,000</u>
Non-Operating Activity		
Donated services - fundraising support	-	2,000
Centennial Campaign		
- donated services - fundraising support	-	(2,000)
Released from restriction - Centennial Campaign	50,000	50,000
Total non-operating activity	<u>50,000</u>	<u>50,000</u>
Expenses		
Donated services		
- program services support	75,000	80,000
- general & administrative support	8,000	17,000
Student Ambassadors	49,000	52,000
Scholarships	24,000	3,000
Accounting Careers Awareness Program	55,000	56,000
FETCH!	20,000	21,000
General & administrative	12,000	6,000
Total expenses	<u>243,000</u>	<u>235,000</u>
Excess of revenue over expenses	<u>(1,000)</u>	<u>35,000</u>
Change in unrestricted net assets	<u>(1,000)</u>	<u>35,000</u>
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	93,000	127,000
Investment income/(loss), net	29,000	-
Released from restrictions - scholarships	34,000	-
Released from restrictions - net assets	(75,000)	(77,000)
Released from restrictions - Centennial Campaign	(50,000)	(50,000)
Change in temporarily restricted net assets	<u>31,000</u>	<u>-</u>
PERMANENTLY RESTRICTED NET ASSETS		
Investment income/(loss), net	162,000	-
Centennial Campaign - contributions	-	23,000
J. Clarke Price Endowment - contributions	100,000	-
Released from restrictions - scholarships	(34,000)	(1,000)
Change in permanently restricted net assets	<u>228,000</u>	<u>22,000</u>
Change in net assets	<u>258,000</u>	<u>57,000</u>
Net assets, beginning of year	2,424,000	2,367,000
Transfer from Affiliate	154,000	-
NET ASSETS, END OF YEAR	<u>\$ 2,836,000</u>	<u>\$ 2,424,000</u>

The Ohio CPA Foundation Statement of Financial Position

Year ended April 30, 2013
(with comparable totals for April 30, 2012)

ASSETS	2013	2012
Cash	\$ 9,000	\$ 6,000
Pledge receivable, net	116,000	285,000
Investments	2,729,000	2,154,000
Total assets	<u>\$ 2,854,000</u>	<u>\$ 2,445,000</u>
LIABILITIES & NET ASSETS		
Accounts payable		
- accrued liabilities	\$ 18,000	\$ 21,000
Total liabilities	<u>18,000</u>	<u>21,000</u>
NET ASSETS		
Unrestricted	215,000	62,000
Temporarily restricted	307,000	276,000
Permanently restricted	2,314,000	2,086,000
Total net assets	<u>2,836,000</u>	<u>2,424,000</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,854,000</u>	<u>\$ 2,445,000</u>

Succession planning remains key concern for firm partners



Planning for a firm’s succession nears the top of list of concerns U.S. accounting firms face, according to the 2013 Private Companies Practice Section CPA Firm Top Issues Survey.

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 each worked for more than 30 years with CPA firms and family businesses to help them improve their performance.

At the core of this new benefit is the “Small Firm Subscription.” Through the Society’s partnership with the Succession Institute, OSCPA members can buy the subscription at a very deep discount. The Small Firm Subscription is valued at \$6,622 and discounted to \$2,000 annually for OSCPA members.

Key features in the Small Firm Subscription include:

- Free Practice Management Tool Kit (retail value \$99)
- Free access to \$600 of self-study (\$600)

- Free access to our live video webcasts for up to five people for a minimum of four shows a year (retail value in excess of \$1,500)
- Two free hours of phone consulting (a \$1,300 value)
- Many of the services in the annual Small Firm Subscription can be purchased a la carte including a wide variety of practice management self-study and webcasts.

To learn more about the Succession Institute and its benefits, visit www.ohioscpa.com/affinitypartners

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didn’t have MDS CPA Review to help me study.” - Shawn Barrett, Dublin

Steve’s exciting instruction style, his personal attention and 27 years of CPA Review instruction, is what separates MDS from all other courses.

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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 43 based on content in *CPA Voice* and submit your answers to The Ohio Society of CPAs. Receive a grade of 70% or better and earn one hour of CPE credit in specialized knowledge.

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

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

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

Print Instructions

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

Self-Assessment Exam Results

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

ANSWER SHEET

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

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Nonmember

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Navigating the health care excise tax

- Beginning in 2015, employers with ____ or more full-time and full-time-equivalent employees may be subject to a monthly health care excise tax. Also starting with 2015, those employers subject to the Affordable Care Act who provide health care coverage for less than 95% of their work force and which have at least one employee who: 1). obtains insurance from the health care exchange and 2). who qualifies for a premium tax credit will pay a/an ____ excise tax.**
 - 60; graduated
 - 50; indexed
 - 50; additional
 - 20; employer
- In addition to covering 95% or more of their full time employees during a given month, the employer's health plan must also meet certain ____ requirements for the employer to avoid a potential excise tax.**
 - affordability and minimum value
 - affordability and coverage
 - coverage and minimum value
 - cost and minimum value

Professional ethics update 2013

- What is purpose of the new conceptual frameworks found in the restructured Professional Code of Conduct?**
 - To make it easier for CPAs to fulfill their commitment to professionalism and to maintain public confidence.
 - To help members when they encounter a relationship or circumstance not explicitly covered by the code that creates threats to their compliance.
 - To make it easier for accountants to identify rulings related to key code concepts (like independence).
 - To increase CPA ethical standards, especially for those CPAs in public practice.
- The addition of the conceptual frameworks for ethical questions other than ____ is the most significant change in the professional ethics ____ for 2013.**
 - independence; standards
 - conflicts of interest; standards
 - independence, codification
 - work product rules, standards.
- Other actions in 2013 by the Professional Ethics Executive Committee were unrelated to the codification of ethical standards. Which of the following does not represent one of these actions?**
 - The PEEC proposed revisions to the "Activities Related to Attest Service" section of Interpretation 101-3.
 - The clarification of the Interpretation on the "Work Product Rule" under Rule 102 was set to become effective Aug. 31, 2013.
 - The PEEC was to vote at its August 2013 meeting on issuing an exposure draft related to conflicts of interest.
 - A clarification of the Interpretation on the "Subordination of Judgment" under rule 102 was set to become effective Aug. 31, 2013. The clarification expands the Interpretation to include examples of how a member in public practice should respond when facing a disagreement or dispute with a client or employer.

- Effective May 2013, the definition of ____ was eliminated and a revised definition of professional services was added to the Professional Code of Conduct.**
 - independence
 - holding out
 - partner equivalent
 - non-attest services

Businesses realizing importance of accounts receivable processes as cash flow improves

- Which of the following steps should companies take to better manage cash flows while maintaining a positive post-sales relationship with their customers?**
 - The key is to track how fast your customers are paying you and how much revenue you are writing off.
 - Companies should embrace technology to improve cash collections.
 - Companies should bill their customers on a frequent and on-going basis.
 - All of the above
- Which of the following is an additional customer interaction metric that a company should track?**
 - Customer payment turnover
 - How much of a customer's account is written off
 - Customer response time
 - Website traffic

Another retreat? Don't revisit the mission statement

- What helps a company zero in on its goals and its higher purpose?**
 - A mission statement
 - An objective statement
 - Mission questions
 - Objective questions

CITP credential builds value for CPAs working with IT

- Which of the following skills do CITP holders often possess?**
 - Strong programming skills
 - Strong customer relation skills
 - Knowledge of key computer applications
 - Strong IT risk assessment skills
- The CITP credential provides the holder with ____**
 - a community of CPA IT specialists with similar interests and practices.
 - increased opportunities for referrals from other practitioners.
 - enhancement of the practitioner's image as a competent IT expert.
 - All of the above.
- To qualify for the CITP credential the CITP applicant must ____**
 - belong to one or more professional groups affiliated with the AICPA.
 - have at least a minor in information systems from an accredited university.
 - have work experience in the field of 1,000 hours or more within the five-year period preceding the date of the CITP application.
 - have relevant and recent work experience and pass a series of CITP exams.

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Baumgarten & Company LLP

Job Title

- Public Accountant

Basic Function

- Provide accounting related services to small and medium sized businesses in Greater Cleveland area

Position Responsibilities

- Prepare federal, state and local income tax returns for Business and Individual clients
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- Prepare payroll tax returns
- Provide bookkeeping services
- Respond to inquiries from the IRS and other tax authorities
- Utilize tax related software/databases to research tax matters

Desired Skills and Experience

- 1-5 years of recent public accounting experience
- Bachelors degree in Accounting
- Working towards CPA (if not already obtained)
- Ability to organize work effectively and meet deadlines
- Strong communication skills (written and verbal)
- Ability to work independently and as a part of a team

Send Resume to:

candidates@Baumgartencpa.com or fax 216-781-4309

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- West Central: **South Dayton area**, CPA Firm, \$385k
- West Central: **East Dayton Suburb**, CPA Firm, \$200k
- West Central: **West Dayton Suburb**, CPA Firm, \$900k
- West Central: **South Dayton Suburb**, \$600k, mostly tax

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71 new members and affiliates applied in July

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

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*Offer requires a PNC Business Checking account and enrollment in PNC Online Banking. Offer valid during your current statement cycle period and two additional statement cycles, which constitutes your free trial period. One free trial period per customer, based on the enrollment date of the first account you enroll in Cash Flow Insight. Your free trial period for all accounts in Cash Flow Insight ends at the same time. At the end of your free trial, you will remain enrolled in Cash Flow Insight and be charged a fee of \$10/month. If you do not want to continue with Cash Flow Insight, you may opt out of the service on your Preferences page within Cash Flow Insight. Beyond the trial period, certain account types have Cash Flow Insight for no additional monthly fee, including Business Enterprise Checking, Industry Solutions Checking and Retail Businesses Checking. Cash Flow Insight and CFO: Cash Flow Options are service marks of The PNC Financial Services Group, Inc. ©2013 The PNC Financial Services Group, Inc. All rights reserved. PNC Bank, National Association. Member FDIC