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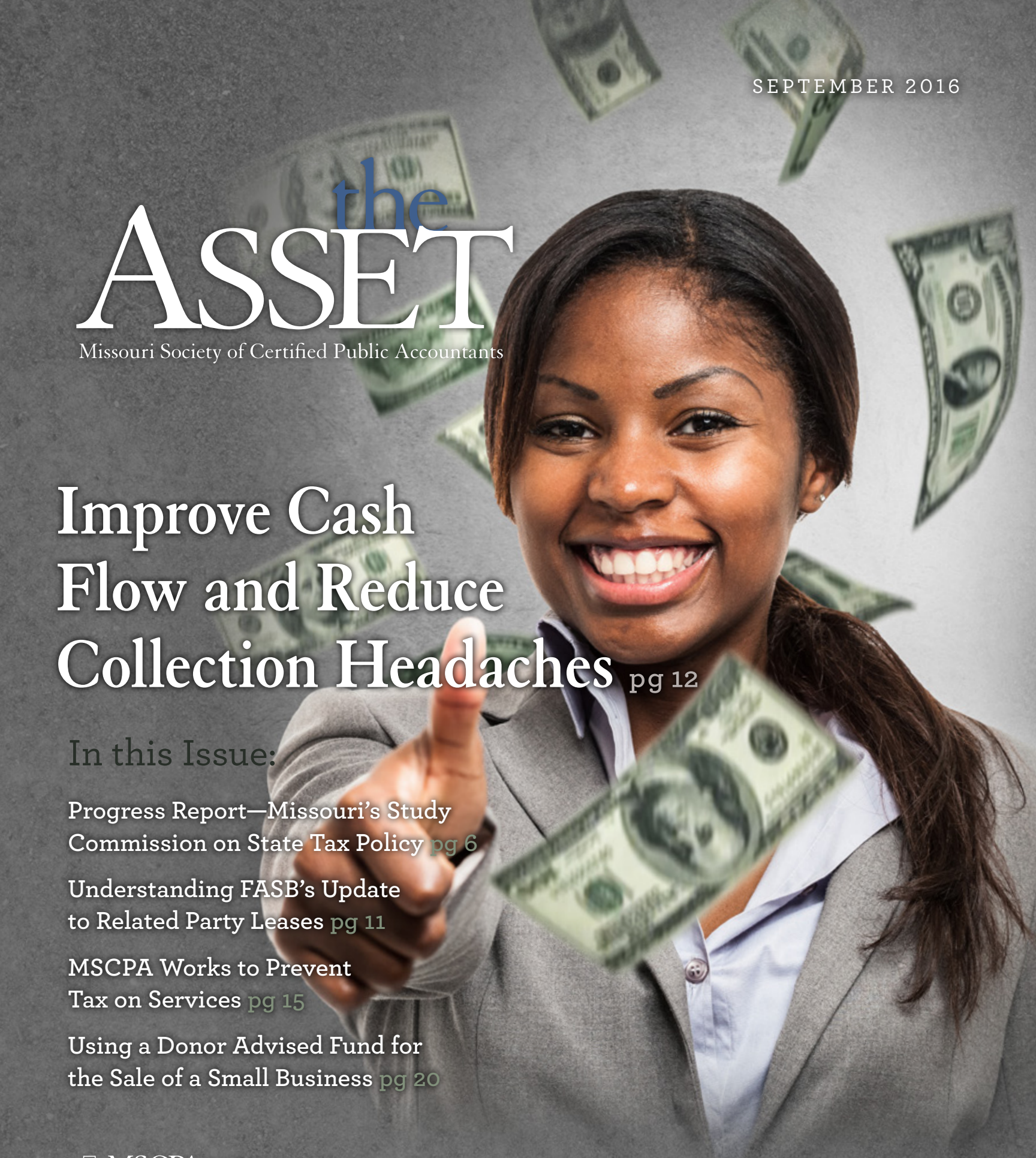
the ASSET

Missouri Society of Certified Public Accountants



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From the Classroom to Retirement

By John W. Lindbloom, CPA, MST, PFS





As I watch my granddaughter head off to first grade, and I talk with our accounting educators who are gearing up for another semester, I'm reminded of how my career has evolved. Having started my journey as a high school business teacher, I understand the stress of organizing for a new year while at the same time looking forward to meeting the students who will be our next generation of leaders.

On page 16, you're introduced to our second MSCPA Faculty Scholar Don Wengler, an assistant professor at the University of Central Missouri. Since coming to Warrensburg last fall, he is already making a positive mark on their accounting program, collaborating with the MSCPA, and ensuring his students realize the value of sitting for the CPA exam. Don is in the fulfilling position of helping others get started in achieving their career aspirations, enabling them to experience the same rewards you and I have.

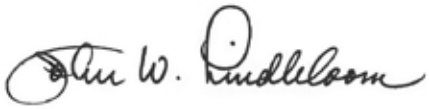
While those students are just getting started, I'm easing into retirement, effective Dec. 31. It comes with many mixed emotions, but I can't deny I'm looking forward to fishing at our lake home in Wisconsin and spending more time with our grandchildren. Though, Alan Spector's article on page 8 made me second guess how much I've mentally primed myself for the change in pace—or more importantly how prepared my wife is to have me around the house!

As CPAs, we've most likely thought about the financial aspects of retirement, and we've helped our clients in the same manner. But, how much have you assisted them with addressing the other aspects of retirement planning? Think of the unique value proposition your firm could bring to those who already trust you by taking their life planning one step further. Even consider helping your own employees as they transition into retirement. They possess a considerable amount of "institutional knowledge" and might consider part-time work so your company retains their expertise while helping them ease into their new lifestyle. For me, volunteering with groups I'm passionate about and remaining physically active will be key. I encourage each of you to take Alan's article to heart and reflect on how his advice could be applicable—to your staff members, your clients, and even your own life.

At the other end of the spectrum, our newly launched Young Professionals Committee will be meeting for the first time face to face at our Fall Committee Day on Sept. 16. During their recent kickoff conference call, the group generated innovative ideas and displayed a lot of enthusiasm for getting involved in the society and the profession. In addition, there are several established, niche-based committees that could benefit from input and ideas from across the generations and experience levels. Personally, I belong to the Legislative and Government Advocacy Committee. We have a solid group of participants who bring a lot of history and knowledge to the table, but just like our companies, this committee needs a succession plan. We need new people to share their thoughts and help lead us into our next evolution of effecting change in Jefferson City. I know the same holds true for our Taxation, Healthcare, Not-For-Profit, Firm Leadership, IT committees and so on. It's not too late to join us, so come try it out (see page 28). You'll receive two hours of complimentary CPE and lunch while discussing the latest developments in your business area. I'm confident the experience will prove worthwhile for both you and your employer.

In talking about both ends of the career continuum, I want to make sure you have our annual Awards Celebrations on your calendar—Nov. 3 in Kansas City and Nov. 17 in St. Louis. Each year, nearly 500 CPAs, family members and friends gather between the two locations to honor a variety of our members' milestones and achievements—from those just starting out in the profession through 50-year licensees (see back cover). It's especially refreshing to meet MSCPA scholarship recipients and recent exam passers. It makes retiring a whole lot easier when I can see our future is in such capable hands!

Whether you are just joining the profession, transitioning into retirement, or lie somewhere in between, best regards for a peaceful and prosperous fall!



John Lindbloom is a partner in tax services at Anders CPAs + Advisors. He is chair of the MSCPA Board of Directors for 2016-2017. John can be reached at jlindbloom@anderscpa.com.

Be Mindful of New CPE Standards and Audit Procedures

By James T. O'Hallaron, CAE

Where did the summer go? For me, the season wraps up when I'm dropping my kids off at school. The end of this summer is particularly bittersweet because my youngest of four started college. My wife and I are now empty nesters—at least until he needs his laundry done!

While our kids get back into the groove of school, it's time to ensure you're in tune with your own learning and development requirements. In August, the AICPA and NASBA updated the Statement on Standards for Continuing Professional Education (CPE) Programs. This jointly published document provides guidelines for the development, presentation, measurement, and reporting of CPE programs. The Missouri State Board of Accountancy (MOSBA) adheres to these standards.

Though the revisions were fairly minor, be sure you're fully aware of Missouri's CPE requirements. I attended a portion of MOSBA's August meeting and was concerned about the number of CPE disciplinary cases on their agenda. This number has been increasing at each meeting, and the board discussed seeking a budget increase to conduct even more CPE audits and enact disciplinary enforcement.

The MSCPA's mission is to advocate for the profession and our members, while protecting the public. I understand and place a high value on the importance of continuing education. We all know that accounting gets increasingly complex and is characterized by ongoing changes, technological advances, globalization, and new regulations. It's essential to maintain and enhance professional competency. I'm not implying that those who are intentionally cheating the system should not be held accountable. However, you need to be aware of the number of CPE audits being conducted and realize that some of the hours you are taking may not meet the board's requirements. For example, we recently had a member called into question because she thought the time she spent preparing to present an accounting workshop counted toward her CPE hours. Likewise, a member equated his research time in writing an article to CPE hours. Before you count something toward your annual requirement, read the CPE Standards and if you're unclear, it might be prudent to contact the state board to ensure you are interpreting the guidelines the same way they are.

Also, be sure the conferences you attend in your niche area of business are sponsored by NASBA-approved vendors. Many of our members in private industry attend high-quality events that enhance their professional competency, but unfortunately, if the vendor has not complied with NASBA's standards, your participation may not count toward your CPE requirements.

The July *ASSET* included an update from MOSBA outlining their CPE audit finds, but it may not have fully conveyed how many people are finding themselves facing steep penalties for seemingly innocent oversights or misinterpretation of the standards. The current reality is that being just a few hours short could result in disciplinary actions. If you have taken classes with the MSCPA, remember that we automatically track and document your attendance. Your transcript is always available at *mocpa.org/my-cpe*, and you are welcome to contact our Professional Development department for assistance at any time. Likewise, rest assured that courses you take through the MSCPA will qualify for CPE credit in Missouri.





My purpose in attending the MOSBA meeting was actually unrelated to CPE. The MSCPA is looking to revise statutes that would bring us more in line with the Uniform Accountancy Act. Like CPE, there is language in other areas that is unclear and leaves too much room for interpretation. We're looking at the definition of attest; use of the CPA designation; and firm mobility. There is still a lot of work to be done, but I'll keep you posted as we draft language and decide whether to file bills that will clear up these gray areas.

As you can see, we're dealing with a lot of important issues in the legislative and government advocacy arena. Please take time to read the update on the Study Commission on State Tax Policy (page 6), which is chaired by our board member Randy Hilger, and an overview of our efforts to prevent a tax on services (page 15). All of these initiatives will require grassroots input and participation. Consider attending our legislative committee meeting on Sept. 16 and CPA Day on Jan. 18 (page 28).

In the meantime, as you're building your CPE schedule this fall, feel free to contact us if you have any questions or concerns about your professional learning plan.

James T. O'Hallaron

Jim O'Hallaron is a certified association executive (CAE) and is the president of the Missouri Society of Certified Public Accountants. He leads the staff and operations for the 8,000-member society. Jim can be reached at johallaron@mocpa.org.



Progress Report—Missouri's Study Commission on State Tax Policy

By Randel A. Hilger, CPA, CGMA, CMA, CMI

Missouri's Study Commission on State Tax Policy is making significant progress toward its mission. That mission includes making a detailed review of Missouri's tax structure; investigating measures and methods to simplify state tax law, improve tax compliance, and reduce administrative costs; and developing a broad range of improvements that could be made to modernize the tax system, maximize economic development and growth, and maintain necessary government services at an appropriate level.

In addition to studying Missouri's overall tax structure, the Commission formed three work groups to focus specifically on income taxes, sales and use taxes and tax administration issues. At the Commission's Aug. 17 meeting, the three work groups provided a report on the policies and practices under review.

Income Tax Work Group

This work group is reviewing the following policy topics:

- Federal income tax deduction (individual and corporate);
- Individual income tax rate table (graduated rates);
- Corporate income tax elections;
- Income tax filing requirements (nexus);
- Targeted deductions and exemptions (individual income);
- Reporting requirements attributable to credits and incentives;
- Individual income tax combined return mechanics; and
- Missouri's reliance on income taxes.

The group has also identified four clarifications to be sought through regulation or legislation to reduce complexities, errors, and disputes over interpretations:

- Conformity with Internal Revenue Code;
- Department of Revenue interpretations of laws addressing existing apportionment formulas;
- Department of Revenue interpretations impacting nexus/filing requirements; and
- Statutory amendments in reaction to case law.

Sales and Use Tax Work Group

This work group is currently focusing on eight specific issues:

- Growth in the number of taxing jurisdictions and tax rates;
- Growing complexity in sales and use taxes;
- Use tax compliance efforts—leveling the playing field between Missouri's brick and mortar retailers and remote (out-of-state) sellers;
- Exemptions—simplification and updating opportunities;
- Vendor compensation (2 percent timely filing discount);
- Sales tax holidays;
- Tax base uniformity (between state and local taxes); and
- Streamlined sales tax agreement.

Tax Administration Work Group

This work group is examining Department of Revenue practices and procedures and how those impact taxpayers, tax practitioners and enforcement of Missouri's tax laws. One such practice under review is the Department's reliance on letter rulings to disseminate tax policy rather than using the state's regulatory process. Statistics were presented showing the Department issued 520 letter rulings in Fiscal Years 2012 through 2016, but issued or amended only eight regulations during the same five-year period. One recent development came front and center in that discussion; in late July the Department mailed more than 100,000 notification letters to businesses registered to collect sales taxes, regarding a Missouri Supreme Court decision addressing the taxability of delivery charges. The Department also issued a letter ruling in July (LR 7722) applying the Court's interpretation to conclude a pizza shop's separately stated delivery charges are subject to sales tax. However, the Department has not amended the current regulation (12 CSR 10-113.600) addressing the taxability of such delivery charges, resulting in both the notification letter and the letter ruling conflicting with the guidance in the Department's officially promulgated regulation.

At the Aug. 17 meeting, the Commission heard testimony from several groups, including the Missouri Society of CPAs. MSCPA Government Relations Consultant Chuck Pierce, CPA, testified on the problems caused by the Department's reliance on private letter rulings to disseminate interpretations rather than using the state's regulatory process. Pierce discussed the challenges taxpayers and their CPAs face when the Department's regulations do not reflect current interpretation of the law, and letter rulings issued by the Department conflict with formally promulgated regulations.

The next meeting of the Commission will be Oct. 19 at the Wainwright State Office Building in St. Louis. MSCPA members are encouraged to share ideas for improving Missouri's tax structure, policies or administration with the Commission, either by email to *randy.hilger@ryan.com*, or by attending a Commission meeting.

Randy Hilger is principal-in-charge of Ryan's St. Louis office. In addition to serving as the Tax Policy Study Commission's Chairman, Randy is on the MSCPA Board of Directors and is the immediate past chair of the MSCPA Taxation Committee. Randy can be contacted at randy.hilger@ryan.com.

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RETIREMENT:
Beyond the Financials

BY ALAN SPECTOR

A CPA was meeting with a long-time client couple; the husband had recently retired. The CPA asked the husband, "How is retirement going?"

"It's great. I have lots of spare time now. Do you know what I did the other day?" Not waiting for an answer, the husband proudly continued, "I rearranged the kitchen cabinets."

Sensing where this was going, the astute CPA looked to the wife just in time to catch her rolling her eyes and courageously asked, "So, how is his retirement working for you?"

The wife looked hesitantly at her husband, then straightened up to seemingly steel herself, returned her attention to the CPA, and declared, "He's driving me nuts. I wish he'd find something to do and preferably outside the house. It took me hours to put each item back in the kitchen cabinets where it belongs."

It is not uncommon for people to enter retirement unprepared to make the most of their newfound freedom. And it is not uncommon for spouses, partners, and others close to the retiree to have different views about how it should all work. Yet, neither the lack of preparedness nor the misaligned visions are necessary, and CPAs and other financial professionals can be at the forefront of helping.

Although most prospective retirees are excited about their next phase of life, they also face it with a healthy dose of anxiety. They are generally unaware of the challenges they may face and the opportunities they may have. If they have done any planning at all, their focus has likely been entirely on ensuring financial security, which is critical and necessary, but far from sufficient to make the rest of life the best of life.

If, however, those same prospective retirees were to also attend to planning the important nonfinancial aspects of their future lives, they would greatly increase the odds of living the retirement they have worked so hard to earn.

This reality is the basis for believing that financial services firms can meet two primary objectives were they to understand retirement life planning and help their clients do the same. The first objective is to make a meaningful difference in the lives of their clients, and the second is to further distinguish the firm in the ever-increasingly competitive marketplace.

With regards to the first objective, clients of financial services firms, whether CPAs, financial advisers, estate planners, or others, are predisposed to understand the value of planning and are therefore likely open to a discussion of life planning as well. What if when they came to the firm for financial support, the firm could provide them with the concepts, tools, and techniques to also plan for the nonfinancial aspects of retirement life?

What might these clients learn that would cause them to think differently about their futures? Here are but a few examples:

- The segment of society with the fastest growing divorce rate are couples over the age of 55, but crucial conversations can help make sure everyone close to them is on the same retirement game plan.
- If they spend the time figuring out how they will meaningfully spend their time in retirement, they can actually practice retirement while they are still working.
- Several factors make up a full and fulfilling retirement, some of which have a more significant impact on their longevity and quality of life.
- There are tactics for making complex retirement decisions to questions like: Where should I live? Should I work in retirement? If so, what should that work be?
- Retirement consists of relatively predictable stages, and it is possible to minimize the time spent in the stage most fraught with challenges.
- Time spent identifying their life purpose and their passions, and how to make the most of that knowledge, is well spent. It is also valuable to have a written retirement life plan, including a bucket list and choices about what they want to start, stop, or continue in their lives.
- There are also tools available to help them answer that critical question, "When should I retire?"

The best way to fend off retirement issues and take full advantage of the possibilities is to create and live a life plan that integrates both the financial and nonfinancial aspects. The best time to do this planning is now! This is true whether the individual is still working or already retired. And financial services professionals can be in a position to help bring this information to their clients.

The same knowledge that enables CPAs and other financial professionals to bring retirement life planning education to their clients also sets the stage to meet the second objective above—to further differentiate the firm in the marketplace. A foundational building block of sustaining and growing the firm's position is the depth of the personal relationships established and cultivated with clients. A nurtured relationship builds competitive advantage versus other firms and perhaps even more so versus the growing competition coming from online services.

And what better way to build those relationships than sincerely demonstrate to clients that the financial professional cares deeply about the whole person while also bringing his or her financial expertise to the relationship?

As a financial services professional, have you ever had a client who was anxious about his or her upcoming retirement; not happy in retirement; content with retirement, but not living a full and fulfilling life; not aligned with a spouse about retirement plans; anxious about a difficult life decision; exhibiting symptoms of depression; caring for aging parents or supporting adult children or both; or trying to figure out when to retire?

Continues on pg. 10

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If you could help guide them to a life-planning concept, tool, or technique that could enrich his or her life, it would likely enhance your relationship with that client.

Consider employing the following few examples of what other financial services firms are doing to make a difference in the lives of their clients while also further differentiating themselves in the marketplace:

- Sponsor in-depth workshops during which the nonfinancial aspects of retirement planning are explored, and prospective and current clients leave having begun their plan. Professionals from the firm participate with the attendees to demonstrate the firm's dedication and to build personal relationships. Envision these workshops energizing current clients and prompting prospective clients to come in for an exploratory meeting with the firm.
- Provide every prospective and current client with resources, such as videos or brochures, that share key retirement life planning concepts while also promoting your firm's commitment to the holistic success of your clients. Envision using these tools during client financial reviews as a basis for the discussion about what has changed in their lives.
- Conduct in-depth retirement life-planning training for the firm's professionals to give them the knowledge and tools to engage with their clients and build even deeper personal relationships in real time. Envision this training helping the more senior professionals develop their own personal retirement plans, helping younger professionals better relate to their older clients, and helping the firm's clients by ensuring they have access to the right life-planning concepts and tools when they need them.

The opportunity for CPAs and other financial professionals is to simultaneously help their clients and the firm. Bringing life-planning knowledge and capability to the firm accomplishes both. Clients will benefit because they will have access to a more holistic approach for transitioning to and living through retirement. The firm will benefit competitively because it can sincerely say to clients, "We care about your success in retirement beyond the financials."

Alan Spector has been studying, writing and speaking about, and practicing retirement for nearly two decades. He is the coauthor of "Your Retirement Quest: 10 Secrets for Creating and Living a Fulfilling Retirement," is a frequent blogger on three retirement-oriented sites, and has been partnering with financial services firms to bring retirement life-planning to their clients and to their professionals. Learn more at YourRetirementQuest.com.



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Understanding FASB's Update to Related Party Leases

By Heather L. Winiarski, CPA, CGMA

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases* (Topic 842). The biggest change in the update is that operating leases for lessees will be recorded on the balance sheet as a right-of-use asset and lease liability. However, there are other changes that are smaller in scope but also warrant attention. One important change within the standard involves related party leases.

Under previous generally accepted accounting principles (GAAP), related party leases were recorded based on the economic substance of the arrangement. This caused companies to spend considerable time trying to sort through related party arrangements to determine how to apply the recognition and measurement requirements. Significant judgment was applied to those transactions as well, which increased the burden of proof needed to support the conclusions reached and amounts recorded. Furthermore, the resulting information was not always comparable between companies or useful to users of the financial statements. As a result, the FASB changed its direction on related party leases with the new update.

The update states that leases between related parties should be classified and accounted for "on the basis of the legally enforceable terms and conditions of the lease." This change removes the burden on companies of identifying and supporting the economic substance of the arrangement. Companies will be able to apply the same processes and controls for all of its leases to record leases. However, companies will still need to apply the disclosure requirements from Accounting Standard Codification (ASC) Topic 850: *Related Party Disclosures*.

With the move from the economic substance to the legally enforceable terms of the contract, companies should evaluate their existing arrangements to determine if any contracts need to be written or amended. For example, a company enters into a written leasing arrangement with a related party for $500 per month. Subsequently, the company experiences some cash flow difficulties and calls the lessor to reduce the required lease payments. Both parties agree on the phone that the lease payments will be $250 per month until the expiration of the contract. Under previous GAAP, the company would record the lease payments as $250 per month. Under the new update, if the original lease is not changed through a written amendment, then the company would have to record the lease payments as $500 per month, which will result in a larger lease liability being recorded on the financial statements. In addition, if the company has any debt, the larger lease liability may trigger non-compliance with a debt covenant.

Another common situation for related party leasing is month-to-month leases. The update allows companies to elect to record short-term leases (those with lease terms of 12 months or less) like operating leases under previous GAAP, such that the lease assets and liabilities are not recorded on the books. However, the lease term considers whether the lessee is reasonably certain to exercise renewal options. In a written month-to-month lease, if the lessee is reasonably certain to continue in the lease for five years, then the lease term would be five years and the company would record a right-of-use asset and lease liability on the balance sheet. However, if the lease is unwritten but the company has established a pattern of making the monthly lease payments, then there could be a basis for establishing that a legally enforceable arrangement has been created. Companies should consult with their attorneys regarding any unwritten arrangements and what could be constituted as legally enforceable. Companies will then need to document and support the decisions reached regarding those arrangements.

The update is effective for nonpublic companies for fiscal years beginning after Dec. 15, 2019 (and for public companies a year earlier); early adoption is permitted. Companies should inventory their leases and gather the information needed for the update soon. As part of this process, companies should evaluate how the accounting for related party leasing transactions will change and the impact on debt covenant compliance. With the delayed effective date of the update, management has an opportunity to create or amend contracts in order to lessen the potential impact within their financial statements, as well as align the legally enforceable terms and conditions with the economic substance of the leases. Management should also educate the users of the financial statements about the updated standard and how it will affect their financial statements.

Heather Winiarski is a senior audit manager for CBIZ MHM, LLC in Kansas City. She is a member of the MSCPA Technical Issues Group, a subcommittee of the MSCPA Accounting and Auditing Committee. She can be contacted hwiniarski@cbiz.com.

Learn More about the New Standard

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Improve Cash Flow and Reduce Collection Headaches

BY JOSEPH T. ECKELKAMP, CPA

Every year, a local university's Introduction to Accounting professor told students the same thing when covering accounts receivable: "Billing and collecting—two *very* different things!" The reality is collecting what has been earned is one of the more challenging and unpleasant tasks in business, regardless of whether a CPA works in public accounting, industry, or a not-for-profit. This article discusses tools and practices that reduce or eliminate bad debt, speed cash flow, and gain collections efficiency.

Some are obvious but not commonly practiced, while others are comparatively uncommon for CPAs.

Obviously, it is important to know as soon as possible whether collection is an issue so the CPA can proactively address it. As a mentor said many years ago, "A client who doesn't pay is worse than no client. A person who won't pay isn't a client, it's a charity, and you should be able to choose your charities." Therefore, the single most important step for any practitioner is to avoid being afraid to seek payment—ask confidently!

Invoicing Practices

Invoices should be sufficiently understandable so clients know what they are being asked to pay. Few things slow payment more than bills clients don't understand or think are hiding something. Descriptions don't need to be long, flowing prose, but just listing "Professional services for September" probably isn't enough for most firms. Descriptions need to provide enough information for clients to say, "I remember that." Otherwise, invoices go on a "call about this later" pile and may not be acted on for quite some time.

Similarly, it's important to bill consistently *and* timely—at least monthly. To do otherwise implies timely payment isn't very important. Many firms are now billing (and collecting) large recurring engagements weekly. Erratic billing can surprise clients, but a regular cycle sets client expectations for when payment is due. Plus, clients are more likely to question invoices arriving long after receiving the service because they don't recall the work clearly.

Certain long-standing CPA billing practices inherently create collection challenges and inefficiencies. For example, accumulating and billing a full year's tax advisory services with the tax return invoice slows cash flows many months compared to being paid as services occur. Other important disadvantages include:

- The CPA doesn't know until tax season if the client is returning. If the client stops paying interim bills, the CPA can make decisions sooner and act to retain the client and/or collect the balance due. Plus, tax season time constraints mean collection efforts are less likely to succeed, especially with former clients.
- A client's inability or unwillingness to pay for services becomes known after the amount becomes large, thereby worsening the write-off required.
- Memories tend to be short, and perceived value often diminishes over time. Clients won't remember as clearly the value of services they received.
- Aggregating charges masks actual tax return pricing and makes it easier for clients to conclude, "Surely, I can get a tax return done elsewhere for less," because clients focus on the total bill, not the extras.
- Small individual invoices throughout the year usually prompt less resistance than one large amount—if properly described on the invoice and clearly communicated in advance.

For similar reasons, progress billing almost every meaningful project (with the possible exception of tax returns) is usually best, and obtaining up-front retainers/deposits for large engagements is wise. With expectations set properly from the outset and described in the engagement letter, desirable clients generally understand the firm's reasons. In addition, the client's reaction is a strong indicator of how easy collection will be.

Collection Options

It is important to use as many tools as possible to make it easy for clients to pay the firm and to eliminate excuses for clients to pay slowly. The CPA can choose which tools to use for a given client to minimize costs, but at least the CPA has them available.

Accepting forms of payment such as credit and debit cards, and Paypal, both speed collection and reduce bad debt. Cards can be accepted via phone, email, fax, and portal in addition to in person. And, these options make it easy to set up payment plans and/or recurring charges on a specific cycle.

Credit card transaction fees are usually 2-3 percent. Debit card transaction fees are far less than for credit cards, but debit cards are used less frequently. Regardless, the firm controls to whom it offers the various forms of payment

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and whether the advantages are worth it. Basic fees for being able to accept card payments are typically $20 per month or less. So, being able to accept card payments is a $250 per year insurance policy—if it prevents one tax return write-off, it pays for itself.

ACH drafts cost even less, particularly for larger amounts and are typically a fixed fee per transaction. Drafts can also be set up to recur automatically and are easily used for variable amounts. With ACH, it is best to continue sending clients invoices, in advance, marked, "Do not pay! Balance will be drafted from your account on [date]."

Beyond significantly reduced bad debt and speedier collections, numerous other advantages arise when using ACH, including:

- Receipt of funds is almost immediate and date certain—typically within one to three days. And in late 2017, ACH will start delivering funds the same day!
- Less reliance on clients to act allows firms to control initiation of payments so they fall in a cycle attractive to the firm. For example, one firm initiates all ACH drafts so funds arrive on payroll funding dates, providing matched funding of inbound and outbound funds.
- The benefit via improved staff morale cannot be overstated. It *greatly* reduces labor costs, frustration, and ill-will from chasing slow-paying clients.
- Payment is possible from anywhere; clients don't have to be in the office or even in town.
- They eliminate client excuses for not paying, such as not having a check or cash with them.
- Many clients like the predictability of cash flow and not needing to take additional action.
- Non-sufficient funds issues are known quickly.
- There are no postal or delivery delays.
- The online system is easy to implement.

A final tool works exceptionally well for some firms, achieving 30-50 percent client acceptance rates. That is incenting clients to pay for tax returns in advance instead of billing after the fact or "cash and carry." For example, clients paying the tax return's fixed price by Feb. 15 receive a set dollar amount or percentage credit. It must be a true credit and not simply offsetting an increase in price. While this can be expensive, it has huge benefits beyond those above, including:

- Eliminates the possibility of bad debt.
- Gives a strong indication of whether clients are returning.
- Accelerates payment by 60 days or more.
- Matches, more effectively, cash inflows with cash outflows for labor.
- Reduces concerns about clients not coming in early because the firm has already been paid and extending the client doesn't delay payment.
- Creates goodwill with your best paying clients.
- Provides a competitive edge and market differentiation.
- Makes it easy to track the incentive's impact and the demographics of its appeal.

Other tried and true methods that are often underutilized include:

- State in the engagement letters that "cash and carry" applies for non-tax work, such as audit reports and financial statements. Get permission to charge their card/account upon delivery, or condition delivery of reports on full payment.
- Follow up quickly and regularly on non-payment—be a "pleasant pest" by offering to help.
- Sending statements with automated collection messages is a "soft" way to remind clients of outstanding balances. The firm can truthfully say, "Those automated messages show up on all statements."

Summary

Results for firms using most, or all, of these tools are outstanding. Often they achieve greatly accelerated collections; bad debt under 0.25 percent of revenue; and work-in-process/accounts receivable balances less than half of prior levels.

While clients generally don't enjoy paying CPAs and hate invoicing surprises, the more ways a firm gives clients to pay, the easier it is to collect what has been earned and enhance client satisfaction at the same time. Offering options such as fixed price engagements and recurring monthly bundled pricing minimizes surprises and simplifies billing. And, when payment expectations are discussed up front, and in the engagement letter, the client knows what to expect and doesn't have a valid reason to resist.

Joe Eckelkamp is an MSCPA member and the owner of The E&A CFO Group in St. Louis. He can be reached at joe@eacfo.com.



MSCPA Works to Prevent Tax on Services

For the past several years, the CPA profession has been strongly advocating against proposals that would tax professional services. It has been a high priority both nationally and for the MSCPA. Missouri does not currently tax services, but there is a real threat as it has been proposed in the past seven legislative sessions.

Instead of continually going on the defense to stop such legislation, the MSCPA has joined a coalition, spearheaded by the Missouri Association of Realtors, to proactively prevent tax on services.

On Nov. 8, Missourians will have the opportunity to vote in favor of Amendment 4, which would constitutionally prohibit a new sales tax on services that Missouri families use every day (e.g., day care, rent, dry cleaning, car repair, banking, dentists, eye doctors).

As the AICPA has cautioned, sales and use taxes on professional services are detrimental because a tax on accounting services:

- Is complicated to administer for states and taxpayers, as the multi-state nature of customers and service providers often makes it difficult to determine where, when, and how the services take place. Three states (Florida, Michigan and Iowa) enacted and then swiftly repealed sales taxes on services, in part because of the complexity in administering the taxes.
- Creates a competitive disadvantage for the state (compared to other states that do not tax services), discouraging relocation and expansion, which negatively impacts economic growth and development.
- Discriminates against small businesses because small and emerging firms often have a need to use outside services that would be taxed, while larger companies with in-house expertise would not be taxed for such services.
- Is regressive, as sales taxes affect everyone at the same tax rate, regardless of the individual's income level.

"We are committed to the coalition's purpose and will do all we can to support their efforts," says MSCPA Chair John Lindbloom, CPA. "We plan to provide technical knowledge as needed, push communications out to our members on the initiative's progress, and mobilize grassroots participation."

In addition to the MSCPA, other statewide professional and trade groups have joined the Amendment 4 coalition, including the National Federation of Independent Business, the Missouri Broadcasters Association, the Missouri Press Association and the Missouri Bankers Association.

To learn more about Amendment 4, the Taxpayer Protection Amendment, visit *MOTaxpayerProtection.com*.

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Get to Know MSCPA Faculty Scholar

Donald C. Wengler, CPA, Ph.D., CFE

As part of its Bridge to the Future Capital Campaign, the MSCPA has established two named faculty scholars, and the society aims to have at least six more in place over the next few years. These positions are intended to help alleviate the accounting professor shortage in Missouri, provide more qualified candidates to firms by giving additional students the opportunity to major in accounting, and ensure graduates have exposure to real-world issues before entering the workforce. The named faculty scholars are generously funded by Missouri CPA firms who have agreed to collaborate efforts and pool resources to ensure all are better positioned to achieve success. The first faculty scholar, Nate Newton at the University of Missouri-Columbia, was profiled in the January 2014 *ASSET* (read at *mocpa.org/educators*). Following is an introduction to the society's second faculty scholar, Don Wengler at the University of Central Missouri.





Education: Bachelor's degrees in accounting and finance with a minor in economics from Southeast Missouri State University; MBA from the Wharton School, University of Pennsylvania; doctorate of philosophy in business administration with an emphasis in accounting from the University of South Florida.

Family: Wife, Angie; three children: Caroline, 10; Luke, 12; Jenna, 22. Jenna and I recently graduated one week apart, with her completing a bachelor's degree in education from Vanderbilt University while I finished my Ph.D.

For fun: Listening to music, ranging from Frank Sinatra to Muddy Waters. I play guitar—mostly blues.

Career path: I have spent most of my life in Missouri, and throughout my career I've enjoyed two different aspects of work-life. I learned the most skills in the least time in public accounting and consulting (Ernst & Young; Coopers & Lybrand; BKD, LLP) because every client is a new job and a new industry, and often you are working on several projects at once. Conversely, holding a corporate position, which I have done twice (Creative Data Services, Argosy Gaming Company), gave me the opportunity to build a more stable work-life where accomplishments can make the job better and contribute to the long-term success of an organization. In consulting, you may not get to know a client long enough to build lasting relationships. Both tracks are rewarding in their own way.





What made you decide to major in accounting?

I never planned to major in accounting. After taking the initial courses required of all business majors, I realized how important accounting is—as the language of business. My initial plan was to work in public accounting for a couple of years to become a CPA and then move into industry. Soon I realized that I was gaining business experience faster in public accounting than I could in any other career opportunity, so I stayed—nearly 20 years, between three firms. However, I also learned that the CPA credential was extremely important to employers outside of public accounting. In one company, the corporate office recommended to the local management team that they interview me for the top accounting job in a division. At the end of the day, the general managers said, "You're a CPA. The job is yours if you want it."

What made you decide to become an accounting educator?

While working with BKD in Kansas City as a forensic accountant, I learned how to use business and accounting facts to tell the story about what happened in fraud incidents and to explain what transpired in a litigation matter between two companies that find themselves in court. I also spoke often to associations and business groups about fraud prevention. I started teaching part-time to sharpen my speaking skills. I found that I enjoyed being in the classroom with students. Next, I decided to pursue a full-time career that enables me to use fact-based storytelling, both in the classroom and in my research.

What have been your biggest challenges thus far?

Some business students do not appreciate the benefits of the accounting discipline, but I accept the challenge of helping them see the importance of knowing enough accounting basics to read financial statements and understand the story that financial statements can tell you about a company.

What do you most hope students gain from working with you?

Connecting the real world of business to what is in their textbooks; that is something I find very rewarding. After 25 years in business, I can tell a lot of stories that relate to my courses.

What do you think the biggest challenges are facing your students as they enter the profession?

Finding the right job with the right long-term work-life balance for them. I worry that some students pass up opportunities that will lead them to the most rewarding long-term happiness in their careers because they are too focused on the immediate job search. They should also be thinking about the places the first job can take them five or 10 years from now, and that is difficult to do.

What benefits does being the MSCPA Faculty Scholar provide you and the university?

I see the MSCPA as a force to facilitate greater interaction between the profession, students and their universities. Working more closely together can benefit all of us and our common goal—developing and supplying the profession with great talent. Being named an MSCPA Faculty Scholar was important to my decision to return to Missouri. Accounting Ph.D. programs tend to encourage their graduates to focus first on research and second on teaching, and as such, they urge graduates to conduct a national search for a position that will focus on research. Being named an MSCPA Faculty Scholar made me realize that my practice experience would be valued in the classroom and that it is good to focus on teaching. As a result, I terminated my national job search and returned to Missouri by accepting a position at the University of Central Missouri. Here I can put my students first and still have time to contribute to accounting, auditing and fraud research.

Don Wengler is an assistant professor of accountancy and serves as the MSCPA Faculty Scholar at the University of Central Missouri. He both teaches courses and has research interest in financial accounting, accounting information systems, auditing, and fraud detection and prevention. Don can be contacted at wengler@ucmo.edu.

CLIENT ACCEPTANCE: WHEN TO DIG DEEPER

BY STAN STERNA



This is an exciting time for Joe's accounting firm. Joe started off 25 years ago as a sole practitioner preparing personal tax returns. Today, he is the managing partner of his own tax advisory firm employing 10 CPAs and a large support staff. A CPA friend of his is about to retire who specializes in executor/trustee work, investment advice, and concierge services for wealthy families in these areas. Joe plans to take on his friend's clients and eventually offer these services to his existing clients. While these areas involve more than the tax services historically provided by his firm, Joe feels that if his staff studies the applicable standards pertaining to these services and obtains practical experience by working with his friend before he retires, his team will be up to the challenge.

Is that enough? Even the most extensive technical preparation cannot fully prepare a CPA to successfully manage the risks associated with new clientele, and it is imperative that a CPA go beyond vetting prospects through standardized firm acceptance procedures.

Overall client acceptance considerations

A key component of client acceptance is due diligence on the potential client prior to accepting the engagement. Many CPA firms establish specific procedures for assessing new clients and checklists to further ensure completion of the client acceptance decision-making process. These checklists confirm such things as:

- Meeting in person with the prospect;
- Reviewing their credit history and prior tax returns;
- Contacting the predecessor CPA;
- Knowing the facts and circumstances regarding how the prospect was referred to the firm;
- Determining whether the prospect is consistent with the firm's business plan and risk appetite;
- Ensuring the prospect does not pose a threat to the firm's independence (if applicable) or create an actual or potential conflict of interest; and
- Reviewing their civil, criminal, bankruptcy litigation history and regulatory/licensing actions.

While standardized procedures and checklists are important, a new client evaluation should be tailored to the needs of the particular prospect. In other words, a CPA firm needs to understand the new client within the context of the work to be performed and then, in addition to following standardized client review procedures and checklists, assess the potential risks applicable to the individual engagement. When considering expanding its practice, a CPA firm should implement a focused approach toward continuing professional education (CPE), requiring staff to take CPE classes that address client acceptance quality control procedures and specific issues relevant to a prospective client base rather than random classes simply to satisfy individual licensing requirements. This will help ensure that all personnel fully understand the importance of identifying potential risks and the need to escalate the same to management for additional due diligence.

Additional procedures for fiduciary services

In this scenario, before Joe agrees to serve as a trustee or executor, he needs to go beyond knowing the technical aspects of estate administration and understand the risks associated with this particular client base, such as the needs of all parties impacted by the administration of the assets. As a trustee or executor, Joe will have a fiduciary duty of care that extends beyond his direct client, the grantor. Remember, the beneficiaries did not engage Joe so they have no loyalty to him or his firm. As such, their interests may not align with the interests of Joe's client—the trust or estate. While interviewing beneficiaries is not always possible or practical, if Joe has a solid grasp on the peripheral factors that may impact this type of engagement, he will be in a much better position to determine whether this is a client he wants to accept or an area of practice he feels comfortable getting into long term.

Additional procedures for investment advisory services

The ability of individual clients to control their emotions and rationally make financial decisions varies widely. When determining whether to provide investment advice to a particular client, Joe needs to understand current market conditions and interview prospective clients with an eye toward ascertaining their risk tolerance, ability to objectively follow advice, and how they are likely to react to market changes that affect their investments. Likewise, when assessing the prior litigation history of a new investment client, Joe should focus on claims alleging financial losses so he can assess whether a prospect tends to accept responsibility for their financial decisions or whether they tend to blame others for negative results.



Additional procedures for "concierge" services

Similarly, Joe's expansion into concierge services creates certain risks peculiar to this type of clientele. Concierge services vary widely but often include insurance advice; bill payment; hiring and managing staff, medical care providers and contractors; real estate and wealth management; and money transfers. Due to the financial wealth of such clients, the number of family members impacted, and the variety of services offered, concierge services claims typically involve substantial damages, and litigation tends to be protracted and expensive. Like beneficiaries, each family member may have different goals and objectives based on their lifestyles and financial objectives. Joe must carefully consider potential disputes among family members before taking on such an engagement. He will also have to assess client continuance annually, as the risks associated with concierge services can evolve over time due to changes in the services, family dynamics, or financial status of individual family members.

Simply put, there is more to new client acceptance than becoming well versed on technical standards and skills. In this scenario, unless Joe establishes sound firm policies for evaluating new clients, a focused CPE study plan, and the flexibility to tailor those procedures to particular prospects, his expected lucrative business expansion may result in a morass of disgruntled clients, liability claims, and increased insurance costs. Only by taking a comprehensive look at all aspects involved and customizing the evaluation process to each specific engagement can a CPA more fully address the inherent risks when taking on new clients.

Stan Sterna is vice president for Aon Insurance Services, the national administrator of the AICPA Professional Liability Insurance Program since 1974, specializing in accountants' professional liability for nearly 20 years. For more information, please contact Aon at (800) 221-3023 or visit cpai.com.



Using a Donor Advised Fund for the Sale of a Small Business

BY DANIEL FAN, CFP, LL.M. IN TAXATION

One of the predicted ongoing trends for small businesses is that more of them will likely be sold or transitioned to family members as baby boomer owners prepare for retirement. Often one of the major concerns for these owners is the amount of taxes that could result from a possible sale. For those owners who are charitable, donating shares of the business to a donor advised fund (DAF) before the sale can be an attractive option that will allow them to provide a charitable legacy while also minimizing taxes. Although this route provides many benefits for charitably inclined owners, using a DAF to sell a business is not always straightforward, and there are many factors to consider before implementing such a strategy.

What is a Donor Advised Fund (DAF)?

A DAF, which is codified under Internal Revenue Code § 4966(d)(2), is a charitable fund operated and managed by a 501(c)(3) charitable organization. Contributions made to it qualify as a charitable gift the year in which it is made, even though the fund itself is not an operating charity.

One of the major benefits of a DAF is the ability to obtain a current tax deduction for contributions made to the DAF while allowing the donor to retain the ability, as grant adviser, to advise when and to which charities funds are ultimately distributed. Distributions from the DAF to charities do not have to occur in the same year the donation is made and can be made in future years.

Contributions to a DAF are not limited to just cash; a variety of other assets can be contributed to the DAF including shares of a closely held C corporation. Subsequently, if the DAF sells the shares that it owns, there will not be any taxable gain on the sale because it occurred in the charitable shelter of the DAF. The DAF will then be able to use the entire sale proceeds it receives for charitable purposes.

A DAF is also considered a qualified shareholder of an S corporation, so having a DAF own shares of an S corporation will not result in the loss of S corporation status. Nevertheless, DAF owned S corporation shares will result in taxes in the form of unrelated business taxable income (UBTI) for its share of income earned by the corporation and from taxable gains from the sale of the shares[1], so extra care should be taken when considering placing S corporation shares in a DAF.

Case Example: Using a DAF to Sell a Business

George and Elizabeth Smith own Happy You Enterprises, a C corporation that manufactures fitness equipment. They have owned and actively managed the company for more than 30 years and are now planning for their retirement. They have had several offers to sell the company, which is currently appraised at $5 million, and do not think it will be a problem to find a buyer. As they talk with their CPA about the possibility of selling their company, they are shocked by the estimated taxes that will result from the sale because their tax basis in the company is very low.

George and Elizabeth believe strongly in the benefits of art for child development and support various charities that focus on providing art education for underprivileged children. Their adviser, aware of their charitable nature, discusses with them the option of utilizing a DAF. The adviser explains that it could provide a number of benefits, including an account to support their long-term gifting to charities; that any gains resulting from the sale of the corporation shares owned by the DAF will not result in taxable gains; and that gifts to the DAF will provide a charitable deduction that can offset the taxes on the possible future sale of their company. Convinced of the benefits of using a DAF, the Smiths set up an account with a DAF and give 20 percent or $1 million of company shares to it.

A few months later, Megacorporation Fitness purchases the 80 percent of the shares of Happy You Enterprises still owned by the Smiths for the previously appraised value of $4 million. Megacorporation makes the same offer to the DAF for the shares it owns at the same terms provided to the Smiths or for the total sale price of $1 million. Because the donation to the DAF occurred the same year as the sale, they are able to use the charitable deduction for the donation of shares to the DAF to help offset taxable gains from the sale.

Continues on pg. 22

TRANSACTION BREAKDOWN[2]

	Sale without gift to DAF	Sale with gift to DAF
Sale price received for shares owned by Smiths	$5,000,000	$4,000,000
Total basis in shares owned by Smiths	$500,000	$400,000[3]
Taxable capital gain (before deductions)	$4,500,000	$3,600,000
Taxes resulting from sale of shares owned by Smiths[4]	$900,000	$720,000
Sale price for shares donated to DAF	N/A	$1,000,000
Taxes from sale of shares in DAF	N/A	$0
Charitable deduction for initial donation of shares	$0	$1,000,000

Continued from pg. 21

SUMMARY OF TRANSACTION

	Sale without gift to DAF	Sale with gift to DAF
Projected total federal taxes due on sale (after accounting for deductions)	$900,000	$520,000[5]
Net proceeds to Smiths from sale of corporation (shares not owned by DAF)	$4,100,000	$3,480,000
Amount available in DAF	$0	$1,000,000

Planning Considerations

Although utilizing a DAF offers many benefits, there are issues to consider before moving forward with this approach.

- **Prearranged sale**—There should not be a binding agreement to sell the business before shares are placed in a DAF. If the IRS deems the sale to be prearranged, it could result in the donor having to recognize the taxes on the gain from the sale of the asset, even if the sale of the shares occurred while owned by the DAF. Also, because the corporate shares are owned by the DAF, the donors cannot compel the DAF to sell the shares to a third party.
- **Assets sale—**If the sale of the corporation is structured as an asset sale, the corporation, even if it is owned by a DAF, will not be able to avoid taxes on the gain from the asset sale on the corporate level.
- **Need for a qualified appraisal—**If the donating shares exceed $10,000 ($5,000 for limited partnership and limited liability corporation interests), a qualified appraisal needs to be obtained to substantiate the amount of charitable deduction. Shares must also be reduced for possible valuation discounts resulting from restrictions placed on the share or for lack of marketability. The appraisal must be obtained no earlier than 60 days from the day that the donation is made.
- **Excess business holding—**If a DAF owns more than 20 percent of the voting shares of the business, then the sponsoring organization for the DAF may incur an excise tax of 10 percent of the excess holding.[6] If the ownership interest is reduced to below the 20 percent threshold within five years of the donation, then the excess business holding tax will not apply.[7]

Conclusion

The above are just some of the many factors that need to be considered when trying to determine if using a DAF to sell a business is appropriate in a particular situation, and such a strategy should only be implemented after careful analysis of all the possible tax consequences that may result. Nevertheless, using a DAF can be an attractive option for those who want to support charities and minimize taxes incurred on the sale of the business.

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1 IRC § 512(e).

2 For illustrative purposes only; the calculation of tax liability is more complex than illustrated and can be impacted by many different variables. Actual tax results may vary. Possible AMT impact is not considered for this illustration.

3 Basis of shares owned by the Smiths does not include the basis for shares now owned by the DAF.

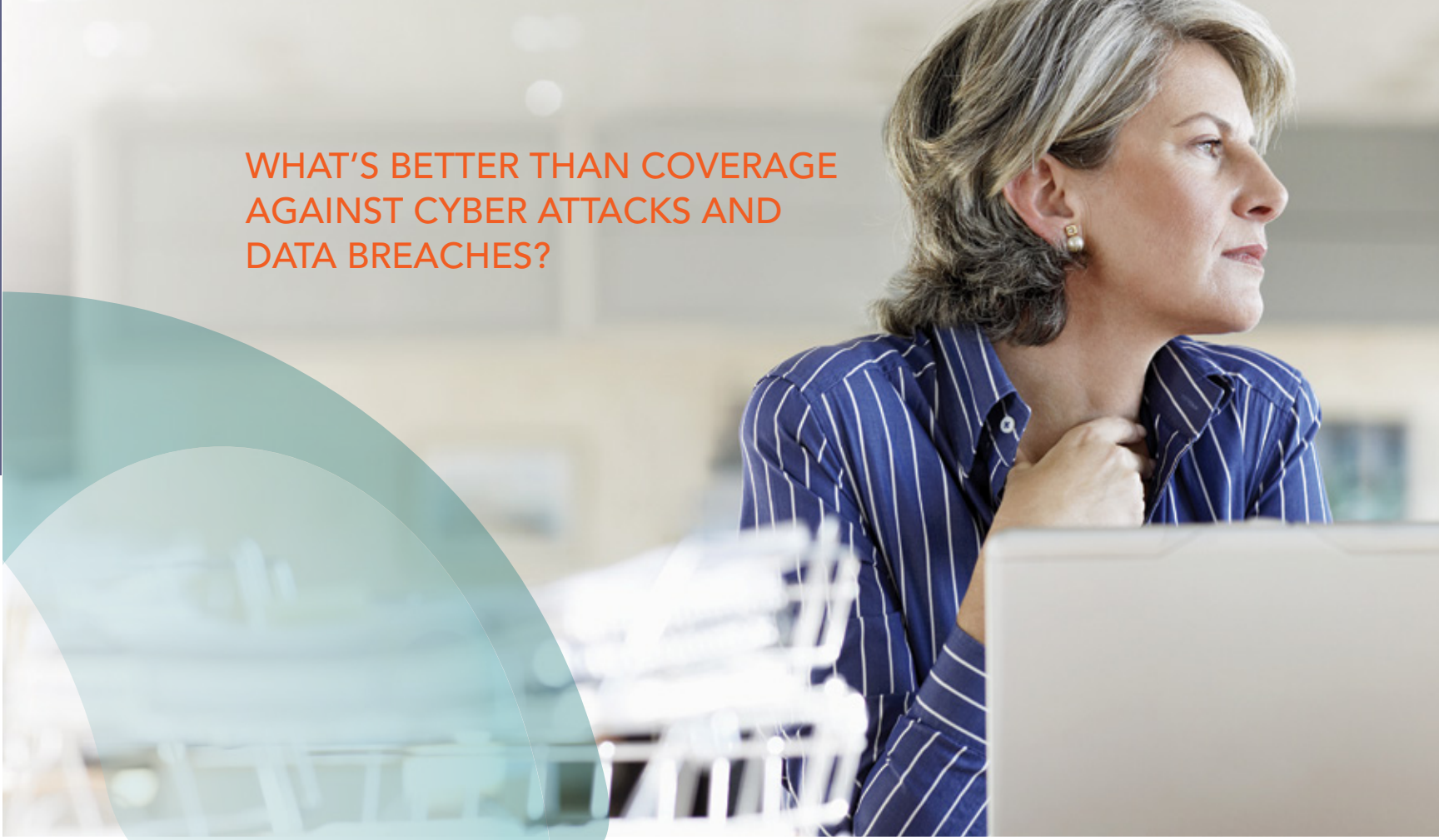
4 Assumes federal long-term capital gains tax rate of 20 percent.

5 Assumes Smith's AGI is high enough in the year of the sale to utilize the majority of charitable deduction available to offset the taxable gain from the sale, resulting in a taxable gain of $2.6 million in this example. Any unused charitable deduction can be carried forward for five years. Additionally, the amount of charitable deduction will also be impacted by the total amount of all itemized deductions that can be taken during the year of sale and by the Pease limitation which restricts the amount of itemized deductions that can be claimed in a year.

6 IRC § 4943(a).

7 IRC § 4943(c)(6).

Daniel Fan is senior vice president, director of Wealth Planning and Insurance, for First Bank's Wealth Management Division. His focus is on providing high net worth clients' wealth planning services including estate, asset protection, retirement, and insurance planning. Dan can be contacted at Dan.Fan@fbol.com.



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Current Developments and Best Practices for Today's CFOs and Controllers
Monday, September 19
Course Code: TCFO-KC

Minimizing Internal Control Blunders under the New COSO Framework
Tuesday, September 20
Course Code: COSF-KC

Internal Controls and Risk Assessment: Key Factors in a Successful Audit
Wednesday, September 21
Course Code: ICRA-KC

Revenue Recognition: Mastering the New FASB Requirements
Thursday, September 22
Course Code: INRR-KC

Public Company Update: SEC, PCAOB, and Other Developments
Friday, September 23
Course Code: PCOU-KC

Advanced Topics in a Single Audit
Monday, September 26
Course Code: ADUG-KC

AICPA's Annual Update: Top 12 Governmental and Not-for-Profit A&A Issues Facing CPAs
Tuesday, September 27
Course Code: TGNP-KC

MBA in a Day
Wednesday, September 28
Course Code: MBAD-KC

Governmental and Not-for-Profit Annual Update
Thursday, October 6
Course Code: GNAU-KC

Fundamentals for Performing a Single Audit Under the Uniform Guidance for Federal Awards
Friday, October 7
Course Code: BAUG-KC

Advanced Controller and CFO Skills
Monday, October 10
Course Code: ACCS-KC

Analytics and Big Data for Accountants
Wednesday, October 12
Course Code: DAAN-KC

Toolkit of Best Practices for Today's Controller and Financial Manager
Thursday, October 13
Course Code: TKBP-KC

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Wednesday, October 26
1 – 4:30 p.m.
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Thursday, October 27
Course Code: CTIP-KC

Financial Instruments: Mastering the New FASB Requirements
Monday, November 7
Course Code: FIIN-KC

Leases: Mastering the New FASB Requirements
Tuesday, November 8
Course Code: LEAS-KC

Multi-State Taxation Basics
Thursday, November 10
Course Code: MSTB-KC

Multi-State Taxation Foundations
Friday, November 11
Course Code: MSTF-KC

St. Louis

Advanced Business Law for CPAs
Thursday, September 15
Course Code: ABLT-SL

Employment Law Update: Key Risks and Recent Trends
Friday, September 16
Course Code: LAWU

Advanced Topics in a Single Audit
Tuesday, September 20
Course Code: ADUG-SL

Payroll Taxes and 1099 Issues: Everything You Need to Know
Wednesday, September 21
Course Code: GPT-SL

The Best Income Tax, Estate Tax, and Financial Planning Ideas of 2016
Thursday, September 22
Course Code: IEFP

Social Security, Medicare, Prescription Drug Retirement Benefits: What Baby Boomers Need to Know
Friday, September 23
Course Code: SSRB-SL

Advanced Auditing of HUD-Assisted Projects
Monday, September 26
Course Code: EO-AHUD

MBA in a Day
Tuesday, September 27
Course Code: MBAD-SL

Internal Control and COSO Essentials for Financial Managers, Accountants and Auditors
Wednesday, September 28
Course Code: ICDAD

IT Risks and Controls in Current and Emerging Environments
Thursday, September 29
Course Code: ITRC

GASB Statement No. 68: In-Depth Government Pension Accounting and Auditing
Thursday, October 6
Course Code: GA68

Governmental and Not-for-Profit Annual Update
Friday, October 7
Course Code: GNAU-SL

Toolkit of Best Practices for Today's Controller and Financial Manager
Tuesday, October 11
Course Code: TKBP-SL

K2's Advanced Excel
Tuesday, October 18
Course Code: ADE

K2's QuickBooks for Accountants
Wednesday, October 19
Course Code: QBP

From Hiring to Firing and Everything in Between: Legal and Payroll Tax Issues
Monday, October 24
8:30 a.m. - 12 p.m.
Course Code: HFE4-SL
4 CPE Hours!

From Hiring to Firing and Everything in Between: Health Care, Retirement, Fringe Benefit Tax Issues
Monday, October 24
1 – 4:30 p.m.
Course Code: HCR4-SL
4 CPE Hours!

Critical Tax Issues and Planning for Accounting Periods, Methods, Related Party Transactions and Form 3115
Tuesday, October 25
Course Code: CTIP-SL

Federal Income Tax Accounting: Maximizing Tax Benefits and Minimizing Tax Costs
Thursday, October 27
Course Code: INCT

Advanced Tax Strategies for LLCs and Partnerships
Friday, October 28
Course Code: DTT-SL

Applying the Uniform Guidance for Federal Awards in Your Single Audits
Monday, October 31
Course Code: INUG

Visit *mocpa.org/cpe* to register today and to see all upcoming course offerings, or call (800) 264-7966.



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Save the Date... for some of the MSCPA's most popular CPE events for 2016!

Keep checking *mocpa.org/cpe* as events are added to the calendar!

Healthcare Industry Conference
Sept. 22: St. Louis

Personal Financial Planning Conference
Oct. 19: Kansas City

Accounting and Auditing Conference
Oct. 20: St. Louis

Business and Industry Conference
Oct. 21: St. Louis

Not-for-Profit Conference
Oct. 27: St. Louis

Fall Tax Institute
Nov. 2-3: Cape Girardeau
Nov. 8-9: Columbia
Nov. 21-22: St. Louis
Dec. 6-7: Kansas City
Dec. 13-14: Springfield

Winter Clusters
Dec. 1-2: Kansas City
Dec. 6-7: Springfield
Dec. 8-9: St. Louis

Federal Tax Camp
Dec. 12: St. Louis



To view the full list of new members, including Auxiliary, please visit *mocpa.org/new-members*.

Welcome!

The MSCPA network continues to grow! The following members joined the society in May and June. Please take time to welcome them and invite them to participate in events and programs with you.

Fellow Members

Central Chapter

Joshua Shope, CPA
Missouri State Auditor's Office

Kansas City Chapter

Sarah Bambenek, CPA
KPMG LLP

Brian Beebe, CPA
Meara Welch Browne, P.C.

Ashley Cumberford, CPA
KPMG LLP

Stephanie Jordahl, CPA
Mayer Hoffman McCann PC

Joseph Meisinger, CPA
KPMG LLP

Jennifer Pieper, CPA
Kansas City Life Insurance Company

Kelsey Scheetz, CPA
KPMG LLP

Jordan Stevener, CPA
Tradebot Systems, Inc.

Edwin Vohland, CPA
KPMG LLP

Elizabeth Wack, CPA
KPMG LLP

Ross Wieting, CPA
IPFS

Southeast Chapter

Jackie Payne, CPA
Begley, Young, Unterreiner & White, LLC

Southwest Chapter

Jeffery Bennett, CPA
BKD, LLP

Todd Green, CPA
BKD, LLP

Cathy Haywood, CPA
Smith and Davis, CPAs

Peter Kern, CPA
BKD, LLP

Shawn Loader, CPA
BKD, LLP

Daniel Martin, CPA
BKD, LLP

Hailey Roughton, CPA
BKD, LLP

Lulu Saige, CPA
Roberts, McKenzie, Mangan & Cummings

Samuel Schriver, CPA
BKD, LLP

Darin Wallace, CPA
BKD, LLP

St. Louis Chapter

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American Fidelity Administrative Services, LLC

LeAnn Aloisi, CPA
Kerber, Eck & Braeckel LLP

Gretchen Best, CPA
Anders CPAs + Advisors

Eric Blaha, CPA
Brown Smith Wallace, LLC

Lindsay Bowling, CPA
Brown Smith Wallace, LLC

Scott Brandt, CPA
Brown Smith Wallace, LLC

Susan Burk, CPA
Deloitte & Touche LLP

Mia Calcaterra, CPA
Brown Smith Wallace, LLC

Carole Campbell, CPA
CHAN Healthcare Auditors

Nathan Carter, CPA
Brown Smith Wallace, LLC

James Coats, CPA
STL Tax

Aaron Cooper, CPA
Brown Smith Wallace, LLC

Kelly Coughlin, CPA

Taryn Dettman, CPA
Brown Smith Wallace, LLC

Kyle Dodwell, CPA
Brown Smith Wallace, LLC

Gwynn Douglas, CPA
CHAN Healthcare Auditors

Sandra Dowdy, CPA
Brown Smith Wallace, LLC

Douglas Eckert, CPA
Brown Smith Wallace, LLC

Kristin Edwards, CPA
Brown Smith Wallace, LLC

Sean Egan, CPA
Brown Smith Wallace, LLC

Katherine Feise, CPA
Mueller Prost LC

Alan Fine, CPA
Brown Smith Wallace, LLC

Zachary Franke, CPA
Brown Smith Wallace, LLC

Kevin Gerwel, CPA
Elliott, Robinson & Company LLP

Todd Goldenhersh, CPA
Brown Smith Wallace, LLC

Steven Hake, CPA
Milhouse & Neal, LLP

Matthew Hans, CPA
Brown Smith Wallace, LLC

Stephanie Hardt, CPA
Brown Smith Wallace, LLC

Darla Hemmann, CPA
Brown Smith Wallace, LLC

Thomas Hill, CPA
Brown Smith Wallace, LLC

Brian Howell, CPA
Hutson Gobble LLC

Samantha Huff-Schlueter, CPA
RubinBrown LLP

Ann Janoski, CPA
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Allison Jasper, CPA
Brown Smith Wallace, LLC

Joanne Kearbey, CPA
Brown Smith Wallace, LLC

Richie Kingree, CPA
Brown Smith Wallace, LLC

Christopher Loseman, CPA

Leslie Lovshin, CPA
CHAN Healthcare Auditors

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Krista Marklin, CPA
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Christopher Menz, CPA
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Enterprise Holdings Inc

Katherine Pelech, CPA
Brown Smith Wallace, LLC

Vanessa Pierce, CPA
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Katie Piontek, CPA
Mueller Prost LC

Hilary Powles, CPA
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Brown Smith Wallace, LLC

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HM Capital Management

Margaret Schulte, CPA
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Timothy Schulte, CPA
Brown Smith Wallace, LLC

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Sikich LLP

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Greg Smith, CPA
Brown Smith Wallace, LLC

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Regional Growth Capital

Daniel Ward, CPA
Brown Smith Wallace, LLC

Michael Westerheide, CPA
Westerheide & Company, CPA, P.C.

Kevin Wiese, CPA
Brown Smith Wallace, LLC

Michael Woerner, CPA
Edward Jones

Katherine Zahner, CPA
Brown Smith Wallace, LLC

Congratulations to Brown Smith Wallace, LLC for attaining 100 Percent Membership in the MSCPA! To see the complete list of companies who've made the same commitment, visit *mocpa.org/100Percent*.

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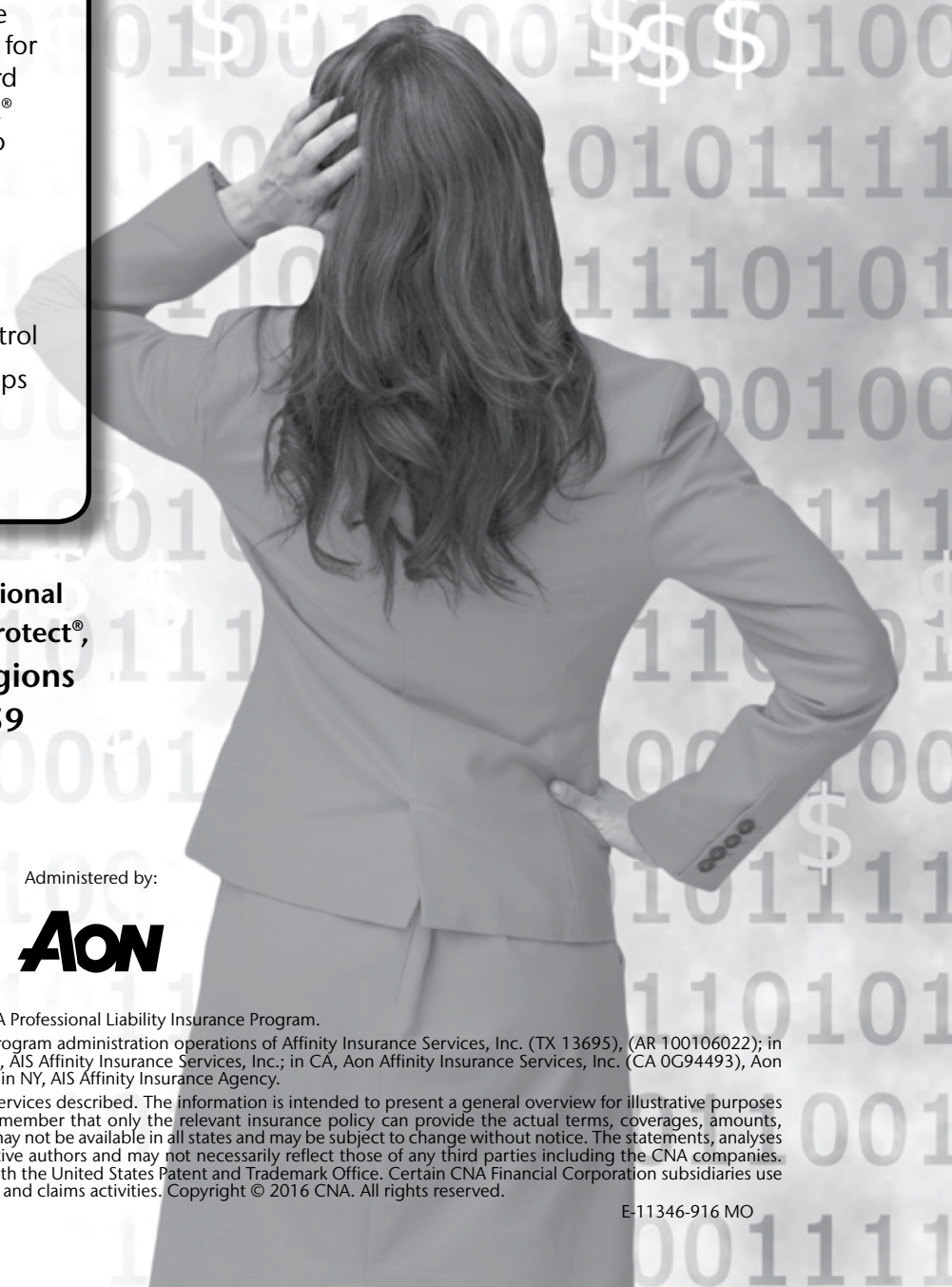

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EXPAND YOUR NETWORK AT FALL COMMITTEE DAY

Do you want to exchange ideas, learn best practices, and become more active in your profession? Come to Fall Committee Day, and if you aren't already on an MSCPA Committee, join one today!

MSCPA committees provide an opportunity for you to collaborate with peers in your area of interest; expand your professional network; receive up-to-date information on your profession; and help shape the direction of the society.

Fall Committee Day
Friday, Sept. 16
Courtyard by Marriott-Columbia
2 hours of CPE
Complimentary to attend (boxed lunch provided)

Visit *mocpa.org/committees* for more details or to register. If you have any questions, please contact Lou Simpson at (800) 264-7966, ext. 125, or *lsimpson@mocpa.org*.

KEEP UP WITH CURRENT TAX DEVELOPMENTS

The MSCPA now offers a weekly video series, featuring Ed Zollars, CPA, with Nichols Patrick CPE, Incorporated, discussing recent federal tax developments. Recent topics have included:

- IRS issues update on phishing attack masquerading as tax software being aimed at preparers;
- IRS agents ordered not to initiate contact via phone in certain situation;
- A taxpayer discovers divorce decree determination for claiming exemption irrelevant for federal taxes;
- A real estate professional finds out the difference between "not automatically passive" and "materially participating"; and
- Relief granted to CRATs due to low interest rates.

Check out the latest video on the MSCPA's home page at *mocpa.org*.

NEED PART-TIME TAX ASSISTANCE? LOOKING FOR SEASONAL WORK?

If your firm needs part-time help during the upcoming busy season, place your opportunities for FREE on the MSCPA Career Center! Your postings will be promoted to MSCPA's 8,000 members throughout Missouri. Interested applicants will then apply directly to your postings online. To post your complimentary ad today, visit *mocpa.org/career-center*. Likewise, if you are seeking seasonal employment, be sure to check out these and other great opportunities.



SUPPORT THE FUTURE OF THE CPA PROFESSION

"I received the MSCPA scholarship prior to my first year in the Master's of Accountancy program at Mizzou. It not only provided motivation to excel in the program, but also to better appreciate the CPA profession," reflects Joey Venturella, recent accounting graduate. "The invite to attend the Awards Celebration was humbling as well. Interacting with numerous local professionals was inspiring, and the opportunity to be recognized at the event provided a supportive foundation for the rest of my education."

With the school year starting, the MSCPA Educational Foundation will soon be accepting applications for its 2016-2017 scholarships, which are awarded to the state's best and brightest accounting majors. However, the number of recipients directly correlates to the amount of funds provided by MSCPA members' generosity. Contributions are tax deductible, and all funds go directly to providing scholarships. To ensure as many deserving students as possible receive this honor and can experience the same rewarding career you have, please donate to the MSCPA Contributor Campaign today. No amount is too small. Gifts can be made easily online at *mocpa.org/contribute*. Thank you for your support!



JOIN THE CONVERSATION AT THE PUBLIC PRACTICE STRATEGIC ROUNDTABLES

Gather with your fellow firm leaders to assess critical challenges and exchange ideas in a discussion-based forum. Leave with enhanced knowledge and an enriched network.

Past discussion topics have included recruiting and staffing, managing client relationships, and navigating tax season. Agenda items are generated by group members.

All roundtables meet on Fridays from 8:30 a.m. - 3 p.m. and offer six hours of CPE credit for a member fee of only $99, including lunch.

Oct. 28—Kansas City
Nov. 11—Springfield
Jan. 13, 2017—St. Louis
May 5, 2017—St. Louis

For more information or to register, visit *mocpa.org/roundtables*.

ATTEND CPA DAY 2017

MSCPA's Legislation and Government Advocacy Committee will host the annual CPA Day in Jefferson City on Jan. 18 at the State Capitol Building. This complimentary event provides you with an update on legislative issues that could impact the profession, your business or your clients.

CPA Day Agenda
8:30 a.m. Breakfast and Welcome
8:45 a.m. Keynote Speaker
10 a.m. Recognition in Senate and House Chambers
10:30 a.m. Legislative Issues Update
12 p.m. MSCPA Member Luncheon and Keynote Speaker
1:30 p.m. Deliver *Legislator's Tax Guide* to Legislators

Register today at *mocpa.org/cpaday*!

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Student Networking Dinner

April 28 | Cape Girardeau

Local firm leaders gathered with accounting students from Southeast Missouri State University as a mentoring and recruitment opportunity. After networking and dinner, the group heard from digital marketing entrepreneur Caitlin Schlichting, who discussed "Branding YOU—How to Leverage Social Media Tools for a Successful Accounting Career."



We want your photos!

Send pictures from MSCPA events to *dhull@mocpa.org*, and they could be featured in the next *ASSET!* Please include the names of all people in the photo.

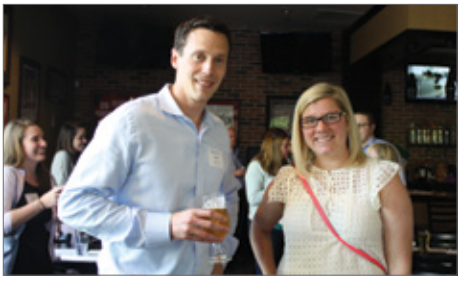




After Busy Season Social

May 5 | Kansas City

Granfalloon on the Plaza provided the perfect setting for Kansas City area CPAs to decompress and blow off steam with friends and colleagues after tax season ended. The group compared stories and celebrated over drinks and appetizers.







CPA Exam Review

May 12 | St. Louis

Aspiring CPAs gathered in the MSCPA St. Louis Learning Center for a three-part learning program to help prepare for the CPA exam. In conjunction with Roger CPA Review, the society provided attendees an overview of exam trends and 2017 exam changes; strategic study tips; and guidance on what to expect after passing the exam. In addition, the group had time for networking and peer-to-peer learning.

The program will be offered again this fall in both Kansas City and St. Louis. Visit *mocpa.org/community-learning* for details!

VA St. Louis Fisher House

May 13 | St. Louis

St. Louis Chapter members hosted a barbecue for veterans and their families at Fisher House. The organization provides a "home away from home" for families of veterans receiving care at the St. Louis VA Medical Center and families of active duty personnel who have loved ones in other area facilities.



Breakout KC

June 29 | Kansas City

An evening of teambuilding seemed like a "safe bet" for Kansas City Chapter members as they tried to escape the Casino Room at Breakout KC. The group had one hour to help a casino boss discover which employee was stealing from the company. It was a memorable outing among peers, followed by food, drinks and mingling at IL Lazzarone Pizzeria!



HELP WANTED

SEEKING TAX MANAGER

Take charge of your career as a tax manager with Sabino & Company LLC. We are currently seeking a full-time, career-minded CPA tax professional with 7-12 years of public accounting tax experience. Sabino & Company is not searching for an employee; we are searching for a professional that is looking to transition to ownership in the firm and its clients and entirely vest in their career with us.

Established in 1998, Sabino & Company is led by Dave Sabino, CPA. Dave's philosophy is simple: "Because we are our client's most trusted business advisor, we must exceed their expectations. And we do that... every day." Dave combines his hands-on business experience with a high-level accounting practice to develop solutions for individuals and privately held businesses in the greater St. Louis area. Clients view Dave and his team of CPAs and business advisors as valuable members of their business and the go-to players when they are looking for resources.

If you are qualified and interested in joining our team, please contact us at *SSabino@SabinoCPA.com* for immediate consideration.

St. Louis based Sabino & Company LLC: CPA firm that believes our first priority is the needs of our clients. We are comprised of CPAs and business advisors dedicated to developing and implementing strategies that enhance the wellbeing of our clients.

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- IRS representation and controversy resolution;
- CFO services;
- Business start-up services;
- Transaction analysis and consulting; and
- QuickBooks® setup, support and training.

Visit our website at *SabinoCPA.com*.

CPA OPPORTUNITY

Opportunity for a highly motivated CPA with the desire to become a part of a growing tax and accounting practice. We are looking for a CPA who has a strong accounting and tax background, familiar with CCH ProSystem and client service oriented. Partnership opportunity available. Please reply in confidence to MSCPA, Box 112, 540 Maryville Centre Dr., Ste. 200, St. Louis, MO 63141.

SENIOR TAX AND REGULATORY ACCOUNTANT - WALSWORTH

This is a fantastic opportunity for an experienced CPA to join the professional accounting team of a dynamic and successful family-owned business.

The position is located in Marceline, Mo., with professional requirements that include a CPA license to practice in the State of Missouri and a minimum of 5-10 years of practical and relevant experience.

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Chesterfield office of Hochschild, Bloom & Company LLP, a quality-oriented, growing CPA firm, seeks full-time professional auditors, with public accounting experience preferred. Work in various industries and multiple service areas. Flex hours (including busy season), office closes early on Fridays during the summer, medical, dental, 401(k), cafeteria plan, life, disability, civic and professional involvement encouraged. We offer competitive pay, advanced technology, international affiliations, commitment to employee development, advancement opportunities, limited out-of-town travel, better commute for work/life balance, and vacation credit for previous experience in public accounting. Email *mike@hbclp.com*.

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We are a high-quality peer-reviewed firm offering a full range of accounting, tax and financial services, seeking a practitioner who is either looking to retire or merge his/her practice with ours. We believe very strongly in client service. Please respond in confidence to MSCPA, Box 111, 540 Maryville Centre Dr., Ste. 200, St. Louis, MO 63141.

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READY TO PURCHASE A FIRM?

Accounting Biz Brokers—Current Listings: New: Overland Park Gross $624k; New: Lee's Summit Gross $300k; Clayton (SL) Gross $187k; New: Central MO Gross $345k; Springfield Gross $889k. Contact us today to receive additional information.

Kathy Brents, CPA, CBI
Office (866) 260-2793; Cell (501) 514-4928
Kathy@AccountingBizBrokers.com
www.AccountingBizBrokers.com

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MSCPA Awards CELEBRATION



Celebrating the Profession

Join your fellow CPAs for an evening of honoring those who have achieved major milestones and earned prestigious awards during the past year. Honorees will include: recent CPA exam passers, Impact Award winners, Women to Watch recipients, 35-year and 50-year members, MSCPA scholarship winners, MSCPA campaign contributors and 100% MSCPA Membership companies.

There will be two celebrations; attend whichever one is most convenient to you!

Western Region Awards Celebration

WHEN: Thursday, November 3
5:30 -8:30 p.m.

WHERE: Arrowhead Stadium
Tower Club East
One Arrowhead Drive
Kansas City, MO 64129

Eastern Region Awards Celebration

Thursday, November 17
5:30 -8:30 p.m.

River City Casino
777 River City Casino Blvd.
St. Louis, MO 63125

For complete details, visit ***mocpa.org/awards-celebrations***.

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