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NOVEMBER 2015

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President's Message

By Gordon Tom



Aloha, Members!

Congratulations on making it through another tax deadline!

It's November already and the start of what I hope will be a calmer, winter weather season. Our summer weather has been very unusual and perhaps an indicator that climate change is real and occurs everywhere, even here in Hawaii.

As I think about the changing weather patterns here, I also wonder about the winds of change that have been blowing through our profession in recent years. The demographic shift and associated challenges with the integration of the millennial generation into the profession; changes in how our businesses and clients must operate and compete in today's global, interconnected marketplace; and the increasing pace of technology innovation are three major areas of concern for our profession. Just think about when the last time you used a fax machine to send a document, or took a photograph on film and had it developed, or used a VCR to record a television program at home. These ubiquitous products and services were all once very relevant and essential to our daily personal and business lives and yet, almost none are in use today. The companies and individuals that were once at the forefront of these areas all failed to evolve, and look at what happened to them. As a profession, we must address these issues and not be afraid to evolve and innovate our role as ac-

counting professionals, CPAs and trusted business advisors; otherwise, we risk becoming irrelevant ourselves.

The HSCPA welcomed over 700 members and guests of the AICPA Governing Council at their Fall Meeting of Council and Annual Membership Meeting on Maui last month. Thank you to Ed Punua, Darryl Nitta and Rodney Harano for their talent

profession from a position of strength, instead of waiting until it is too late to react and evolve in our rapidly changing business environment and world.

There will be much more information to come on this new initiative. The HSCPA Board and Officers will be holding strategic planning sessions this year, where we will discuss the continuing evolution of our profession here in Hawaii, this new joint proposal and the impact to our members, and how the HSCPA can continue to be the leading organization representing the accounting profession in Hawaii.

As a reminder, don't forget this is a renewal year, and time is running out to obtain your required CPE credits by December 31st to renew your license and permit to practice, if applicable. Ron Heller is presenting the final two professional ethics sessions on Kauai and Oahu on November 6th and December 4th, respectively. Please visit the [HSCPA site](http://hscpa.org) for more information and to register for one of these ethics courses. Again, a big thank you to Ron

Heller and Donny Shimamoto for helping our members and other CPAs in the state meet their ethics CPE requirements this year. Also, don't forget to get your 2016 NFL Pro Bowl tickets using the link on the HSCPA site so you can take advantage of the great member benefit!

I hope you all have an opportunity to take some time away from work and enjoy Thanksgiving with family and friends. Send pictures of your Thanksgiving feast, Instagram-style, to info@hscpa.org and maybe you'll be featured in an upcoming issue!



Norman Okimoto, Rodney Harano, AICPA Chair Tim Christen, Darryl Nitta, Gordon Tom at the AICPA Fall Meeting of Council in Kapalua, Maui



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(and lungs) to provide Council members and their guests with our traditional greeting. At the meeting, the AICPA Council discussed and approved a proposal to partner with the Chartered Institute of Management Accountants to develop a new association for professional accountants. There has been an increasing trend in recent years of accounting graduates from the millennial generations entering the profession, but choosing not to sit for the CPA exam and obtain their license. This proposal will help maintain the relevance of the accounting

Beware: Ransomware Threatens to Hold Your Data Hostage!

By Thomas G. Stephens, CPA-CITP, CGMA – K2 Enterprises



A particularly insidious form of malware is spreading rapidly and could potentially jeopardize your ability to access your data files. Ransomware – as it is known – is a form of malware that can infect your computer and prevent you from accessing your data unless you pay the cybercriminal a ransom. In this article, you will learn more about how you can reduce the likelihood that someone takes your data hostage.

Ransomware Basics

Microsoft defines ransomware as:

A kind of malware that criminals install on your computer so they can lock it from a remote location.

Ransomware generates a pop-up window, webpage, or email warning from what looks like an official authority. It explains that your computer has been locked...and demands payment before you can access your files...

In most cases, those affected by ransomware must pay the ransom within a specified period or they will permanently lose access to their data. Further, the cybercriminals responsible for ransomware attacks typically demand payment in some form of untraceable currency, such as BitCoin, to reduce the likelihood that they are caught and brought to justice.

Two major forms of ransomware exist – 1) encrypting ransomware and 2) non-encrypting ransomware. Encrypting ransomware examines your computer and encrypts data files – often PDF, Excel, Word, and PowerPoint files – so

that their rightful owner can no longer open them. If the owner chooses to pay the ransom – typically in the range of \$500 to \$1,500 – the cybercriminal will provide the encryption key to the owner; otherwise, the files are forever locked and inaccessible.

Non-encrypting ransomware does not affect the data on the computer, but rather, affects access to the computer itself. Non-encrypting ransomware often will cause pornographic images to display on the computer screen until the victim pays the ransom. Upon paying the ransom, the cybercriminal deactivates the ransomware on that computer and it returns to normal operation.

The most common method by which cybercriminals install ransomware onto their victims' computers is by sending emails with attachments that contain the malware. When a recipient of a message clicks to open the attachment, the malware installs and the crime begins. Other methods used to infect computers with ransomware include causing users to click on malicious links in email messages or websites and through instant

messages transmitted over social networks.

How to Reduce the Threat

As with all security threats, the best approach to minimizing the threat of ransomware infecting your computer is to apply common sense and exercise sound, professional judgment. Each of the following actions will help to reduce your exposure to ransomware.

- Do not click on email attachments from unknown or untrusted sources.
- Be very judicious about the websites you visit and the hyperlinks in email messages on which you click.
- Additionally, know that all of your social network "friends" might not really be your friend after all; therefore, be discerning about what links you click on when participating in social network mediums.

From a technical perspective, again common sense is the best protection against ransomware. The following measures will help to minimize the threat that ransomware infects your computer.

Continued on page 6

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- Install a strong anti-virus program on your computer and update the anti-virus definitions daily.
- Ensure that you install anti-malware software and that you update its security definitions on a daily basis.
- Keep your firewall turned on.
- Consider adopting a “white-listing” approach and controlling which applications can run on your computer via Group Policy settings in the Windows operating system.

What to Do if You Are the Victim of Ransomware

Notwithstanding the above, the possibility will remain that ransomware could infect your computer. This is where the importance of daily backups comes into play. If you are the victim of a ransomware attack and refuse (rightfully so!) to pay the ransom to recover your data, it is altogether likely that your only alternative to reclaim your data will be to recover it from a backup. Note that you should not leave the backup device connected to

your computer after the backup completes as the data on the device could be taken hostage in a ransomware attack. Instead, disconnect the backup device from the computer after the backup completes; alternatively, consider using a cloud-based backup service so that your data is stored offsite.

Summary

The threats emanating from ransomware are real and growing on a daily basis. In addition to potentially affecting your computer, ransomware now also threatens mobile devices such as smartphones. The best means of reducing these threats is to adopt a three-pronged strategy that includes 1) avoiding opening email attachments and clicking on suspicious links from unknown sources; 2) ensuring appropriate anti-virus, anti-malware, and firewall security is in place and working as intended; and 3) creating daily backups of critical data files and storing them in locations that are not connected to your computer. By implementing this strategy, you can minimize the threat of your data being held hostage.

Tommy is a partner at K2 Enterprises. To date, he has lectured nationally on subjects such as internal controls for small businesses, technology strategies, computer hardware and software applications, tax strategies and compliance, and financial accounting standards and applications.

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Keeping Ahead of the Trends: Retirement Savings Enhancements,
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Mercedes Kam is a 3rd generation family member in the insurance and financial services industry and specializes in the retirement planning area.



Jeff is a Certified Financial Planner® Professional since 2007. Jeff's current focus includes risk management and solutions for small businesses.



Jean Creadick, JD is Vice President at First Hawaiian Bank Wealth Management Group specializing in charitable services.



Mike Taylor, CLU, ChFC, LTCP, Senior Vice President at First Hawaiian Bank, assists customers in obtaining the very best coverage for the best price



Nate Gray is a Regional Vice President in the broker/dealer division at Columbia Threadneedle Investments. He supports advisors in Hawaii, and in the Orange and San Diego counties in Southern California.



Ron Heller, attorney/CPA with Torkildson Katz concentrates practice on tax litigation, tax law, and business disputes, primarily dealing with accounting and financial issues.



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Developing an IT Leader Communication Toolkit

By Eric Benson – Boomer Consulting



I have lost count of the number of times I start talking about a technology concept and end up getting a stunned look. I don't think the stunned look is the result of my commanding knowledge of the subject. Rather, I am speaking in a framework that I am comfortable with, but my listener is not.

This is true of any specialized profession, but I believe that technology provides a special circumstance. In most professions, change is annual and incremental. The amount of knowledge may be broad, but it is also specialized in one area. However, in an accounting firm, the audit staff does not need detailed knowledge of the business tax processes to do a job well. In information technology, the overlap to any other profession can be very high. Almost everyone uses a computer to do part, or all, of their work.

One of the critical roles of a leader is the ability to make direction clear. Clarifying is very difficult to do if you have a confused audience. Many times this confusion seems to come down to a lack of knowledge, and a discussion on a detailed technology topic will move into "explanationland."

Instead of thinking about knowledge, or how someone doesn't seem to under-

stand, I'd like to show you how to build a toolkit that uses a little science, a little common sense, and a standard way of approaching complex topics that will help you clarify and coordinate.

Building an IT Leaders' communication toolkit

At Boomer Consulting, we are encouraged to read for both professional and personal insights. My reading ranges from quick business fables to more scholarly books. Every once in a while, I come across one that changes the way I think about the world.

[Thinking, Fast and Slow by Daniel Kahneman](#) was one such text. In it, Daniel Kahneman summarizes a lifetime of research into behavioral economics. In summary, our brains are wired with two parts, or systems. The first is a quick thinking interface to the world. This "fast" (or intuitive) system deals with the things we see, hear and do on a day to day basis. Walking to the park, opening a door, answering simple questions and enjoying some good food are all handled by the fast/intuitive system. In order to do this well, the fast system makes a lot of assumptions about the world that we aren't aware of. Otherwise, walking, eat-

ing and talking would be very hard to do.

Behind the fast system is a deeper thinker (the "slow", or reflective, system) that can be used to help deal with more complex situations. What do you want to eat for supper? This would be something handled by the slow/reflective system. This slow system is better at eliminating assumptions, but it requires focus and time that we often do not have. Think of the slow mind as your quality control center. It comes to play when you stop and think about what to do next.

You may ask at this point, what does research about how we perceive the world around us have to do with IT Leaders? This article will address a concept called attribute substitution, which, I believe, has a lot to do with why technology can be so hard to communicate about.

Swapping hard questions for easier ones

In *Thinking, Fast and Slow*, Daniel Kahneman talks about a bias that underlies a key element of human communication – questions. Attribute substitution occurs when a complex question is directed to an individual. The person interprets this complex question with their fast/intuitive system. Since the intuitive system is designed to process the world efficiently, it rephrases the question into something that the individual can answer without working too hard. Again, the fast system is handling things quickly.

There are three conditions for attribute substitution:

- The question must be complex in nature and difficult to answer from memory

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- Another question must be easily “swappable”
- The substitution is not caught by the slow/reflective system

Let's review an example that I believe everyone can resonate with – How would you solve world hunger?

Now, think about this question for a moment. What question are you ready to answer? This is an extremely complex, and often loaded question to discuss. Your reference point may be experience with a local food pantry, or with a trip to an area of hunger, or even past direct experiences with hunger. The question you are ready to answer may very well be “How do I feel about the hungry refugees I saw on TV last week?”

In cases of attribute substitution, you are personalizing the questions asked into something understandable. Until now, though, you may not have known you were doing it.

Where substitution can occur in technology communication

IT Professionals are passionate about some aspect of their work, and it often shows in great work performance. Where they (myself included) can run aground is understanding that other people's reference point is not the same.

The accounting profession is in the midst of a “cloud” transformation. Not only do core services like email and document storage have online options, but the core tax and audit products now have options to run online. From an IT standpoint, this requires a broad range of solutions that cover many facets of a security landscape that the firm does not really understand. This is an environment that is ripe for attribute substitution.

Let me propose a question to the reading audience -- What should your firm do to protect itself from online hackers?

Again, think about this question for a moment. What question were you ready to answer?

Write down your question. What you write down will inform how you proceed to address the larger question of security in your firm. It will also be used to help determine what you may be able to understand about how you substitute difficult technology questions.

Clarifying complex technology questions

IT Professionals will often start with solutions (fixes) and then move to implementation (how to get the fixes in place). An example of this substitution might be “What solutions should I purchase to help protect us from online threats, and what research do I need to do?” If this was a real discussion, the IT professional would start talking from a base of known

Continued on page 11

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MOVE ON PURPOSE:

Leaders + Gender + Ethics

By Dr. Linda Talley

We know that leadership is gender specific, although there are different views on this. Although there is research noting that women have certain advantages in leadership based on their emotional intelligence---and specifically social skills, there is still a deficit in the number of women in key leadership positions.

Research also tells us that women tend to have more transformational attributes than men, whereas men tend to be more transactional. Yet the problem remains that a woman, in a leadership position and in a male dominated industry, will have to work harder to be accepted and effective. The male leader in this position can display masculine attributes and

be effective. A female in this position who displays masculine attributes will be vilified. The effective women leader in this position must balance her masculine as well as feminine traits. A fine line for a woman leader to have to walk, but necessary.

There is also research that posits that women are more ethically oriented than men, but in business, there appears to be no difference between ethical sensitivity for men and women. However, women appear to be not so much more ethical than men, but more concerned about social acceptance and appropriate corporate behavior. We have seen a number of corporate leaders who did

not take corporate ethics seriously and are now serving time in prison (think Skilling, Kozlowski, and Rigas). Yet I know of only one woman CEO (Stewart) who was sent to jail for ethical violations. Does this mean that women are more ethical? Perhaps or perhaps the number of convicted male CEOs is higher because of the number of males vs. females in top leadership positions.

Although it may appear from the research that women are more concerned about ethics than men, the truth is that we all need to be more sensitive to ethical violations. When business supports a code of ethics and a climate that supports ethics, fewer people may be tempted to go the unethical route.

Bottom line for leaders: If your team/ staff members see your behavior as unethical, their behavior will probably change to match yours. You're the leader---what you do, they do!

Linda Talley, body language expert, leadership development coach, behavioral theorist, keynote speaker, and business coach works with leaders to improve their business relationships, communication, and performance.

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solutions, naming things like web filters or cloud security brokers.

If the person asking the questions is not involved in IT, the response can be overwhelming. Instead of starting with an answer, you should clarify what the questioner wants to discuss.

Here are a few clarifying questions that can avert instant attribute substitution:

- What did you hear, or read, that made you interested in this topic?
- Technology addresses part of your question – there's also a people and process part. Who else should be involved in answering this question?
- What do you know about what we currently do in this area?

Using clarifying questions, you can help establish a common ground to address a

common question. The initial question I asked involved you (as in you, the IT professional). In many instances, the substituted question comes out as “What am I doing?” in this area.

With clarification, you can move to a “What are we doing?” question to address. This clarification can move beyond just a technology based solution to big questions. The discussion may bring up training, HR, technical skills, common sense, financial insight, and other aspects into view.

After taking attribute substitution into account, you might be able to come up with this common question -- Where do we start addressing the question of security with our firm's employees?

Understanding attribute substitution can be a tool unique to IT Leaders

IT is, by nature, a systems approach to solving problems. By understanding a research concept like attribute substitution, you can use these same system skills you apply to technology to elevate your communication skillset.

In addition, understanding attribution substitution can also help you when asking questions of others. If the response seems mystifying, ask someone to rephrase your question. You may be surprised at the results. From there, you can move forward from there to clarify and come to a common question to answer together.

Eric Benson is the Director of 10X Operations at Boomer Consulting, Inc. He is part firm administrator, part technology and process guru, and part 10X coordinator for an awesome team. Eric is a gifted information manager and researcher. He designs and amalgamates complex systems to provide multiple technology services to the firm.

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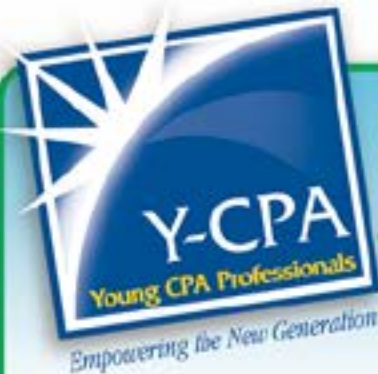
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Y-CPa BUZZ!



Figuring Out the Dependency Exemption

By Yumi Ueda



A common question that always comes up during tax time is: "Can I claim _____ as my dependent?"

In most cases, the situation is straightforward and can be easily figured out. It starts to get tricky when there are special circumstances, such as your child attending college and receiving financial aid, or you are suddenly helping your parents pay for their nursing home expenses.

In these special cases you should look to the tax rules to see if you can claim any additional exemptions. IRC § 152(a) defines a "dependent" as (1) a qualifying child, or (2) a qualifying relative.

Qualifying Child: To be a qualifying child, all of the following dependency tests must be met:

Age. The qualifying child must be under age 19 or a full-time student under age 24 at the end of the year, or permanently and totally disabled at any time during the year, regardless of age.

Relationship. The qualifying child must be the taxpayer's child or stepchild, foster or adopted child, sibling, stepsibling, or a descendant of any them.

Residency. The qualifying child must have lived with the taxpayer for more than half of the year. The qualifying child is considered to be living with the taxpayer during temporary absences such as education, illness, business, vacation, or military service.

Support. The qualifying child must not have provided more than half of his or her own support.

Citizen or resident. The qualifying child must be a U.S. citizen or resident, or a resident of Canada or Mexico.

Joint Return. The qualifying child must be unmarried, married but does not file a joint return, or married and files a joint return only to claim a refund of withheld tax, and neither the qualifying child nor spouse can claim a personal exemption on their joint return.

Dependent taxpayer. The qualifying child cannot claim anyone else as a dependent.

Individuals who do not meet the tests for being a qualifying child the taxpayer may still qualify as a dependent as a qualifying relative.

Qualifying Relative: To be a qualifying relative, all of the following dependency tests must be met:

Relationship. The qualifying relative must either be (a) living with the taxpayer all year as a member of the household, or (b) a relative not required to live with you. Relatives that can be claimed as a taxpayer's dependent who do not have to live with the taxpayer are:

- Taxpayer's child, stepchild, foster child, or a descendant of any of them.
- Taxpayer's sibling, half sibling, or stepsibling.
- Taxpayer's parent, grandparent, or other direct ancestor, but not foster parent.
- Taxpayer's stepfather or stepmother.
- Taxpayer's niece, nephew, uncle, aunt (if related by blood)
- Taxpayer's in-law (son, daughter, mother, father, brother, sister).

Cousins do not meet the relationship test and relationships established by marriage are not ended by death or divorce.

Gross income. The qualifying relative must

not have gross income of more than the exemption amount. In 2014 the exemption amount is \$3,950. Gross income includes unemployment compensation and certain scholarships, but excludes welfare benefits and social security benefits.

Support. The taxpayer must provide more than half the total support for the entire year for the qualifying relative. Total support includes food, clothing, shelter, education, medical care, transportation and recreation.

Citizen or resident. The qualifying relative must be a U.S. citizen or resident, or a resident of Canada or Mexico.

Joint Return. The qualifying relative must be unmarried, married but does not file a joint return, or married and files a joint return only to claim a refund of withheld tax, and neither the qualifying child nor spouse can claim a personal exemption on their joint return.

Dependent taxpayer. The qualifying relative cannot claim anyone else as a dependent.

Not a qualifying child. The qualifying relative cannot be the taxpayer's qualifying child or the qualifying child of anyone else.

The tests for each exemption should be looked through carefully, as all tests must be met to claim someone as your qualifying child or relative. If a taxpayer can be claimed by another person, the taxpayer cannot claim their own exemption, even if no one else claims the taxpayer.

Now is a good time to assess your current situation to determine who you can or will be claiming as your dependent for the next tax season. The IRS website has an interactive guide to help determine who you can claim as a dependent at: www.irs.gov



Norman's Book Review

"What I Know For Sure"

by Oprah Winfrey

Looking for a book that might change your life forever? A book that is easy enough to read over the Thanksgiving weekend? Give as a Christmas present? Then this is the book for you!

Like many of you, I am a lifelong Oprah fan and was really excited to read her book and share it with you. My wife is an even bigger Oprah fan, so she read the book before me and made me promise to buy her a book for Christmas.

"What I Know For Sure"

Back in 1998, Gene Siskel asked Oprah, "What do you know for sure?" The question caught her off guard and really made her think hard about her life. It became the central question of her life, she explores it in every O Magazine edition, and it is the name of her monthly column.

The book is the result of Oprah rereading through 14 years of her columns, reflecting on them, and choosing the items that really matter in life and that have stood the test of time. Her words of wisdom are organized into eight chapters, Joy, Resilience, Connection, Gratitude, Possibility, Awe, Clarity and Power. In essence, the book is Oprah's own "private book of revelations!"

The following are some of things Oprah "knows for sure" which I thought you would find interesting and would give you a taste of how good her book is. An extra bonus in the book is how she shares some of her special moments

living in Maui, from the sunsets to her own "heaven on earth" moments! You Maui CPAs have your own wonderful slice of paradise!



"I Hope You Dance"

The Oprah show with

singer Lee Ann Womack singing her song is etched forever in my mind and the following line as its refrain is one of Oprah's things she "knows for sure."

"When you get the choice to sit it out or dance, I hope you dance."

We make choices every day, every hour, and every minute as to how we want to spend our time. Oprah hopes we choose to "make every minute count, to relish every hour as if there would never be another, to enjoy ourselves, and just kick off our shoes and dance!"

"You Control the Brush"

Life can be tough and Oprah has experienced more than her fair share of adversity growing up in Mississippi, being sexually abused from age 10 to 14, getting pregnant at 14 years old and giving birth to a baby that died weeks later.

If you look at your life as an art canvas,

your daily experiences, good and bad, are painted on that canvas. However, "you control the brush." "We are all artists of our own lives – we can use as much colors and brushstrokes as we like."

Hit the "Refresh" Button

In this materialistic and busy world we live in, for many of us we have too much clutter in our lives; from buying too much stuff to associating with people and entities who don't encourage or even block our personal growth. Hit the "Refresh" button and clean house!

Oprah "wants us to be lean and clean for the future, and keep dust off our wings, because she knows it will make it easier for us to fly and move closer to the self we were meant to be."

A Special Message to All Women

I've included this special message from Oprah to all women, especially women CPAs who have to juggle their career with their family life.

"As women, we've been programmed to sacrifice everything in the name of what is good and right for everyone else. Then if there's an inch left over, maybe we can have a piece of that. We need to deprogram ourselves. I know for sure that you can't give what you don't have. If you allow yourself to be depleted to

the point where your emotional and spiritual tank is empty and you are running on fumes of habit, everyone loses. Especially you. You need to nurture yourself so you'll have more nurturing to give those who most need you."

"Be Still When Unsure"

When you are not sure what to do, Oprah's best advice is "to do nothing until clarity comes from listening to your own voice and not the voices of the world. Once you decide what you want to do, make a commitment to that decision."

"Do Your Very Best... Every Day"

Reverend Jesse Jackson spoke at her school in 1969, where he told the students "that what they owed themselves is excellence, and excellence is the best deterrent to racism, so therefore, be excellent!" Oprah took him at his word, made a poster of it, taped it to her mirror, and used it as inspiration through her college years.

Later she added her own maxims: "If you want to be successful, be excellent." and "If you want the best the world has to offer, offer the world your best." By trying to do your best every day, you will be living your best life.

"What You Give Is What You Receive"

Oprah lives her life by "trying to do well and be well with everyone. She makes sure to use her life for goodwill because she knows for sure that what she thinks,

what she says, and what she does — everything will be returned to her. And the same will be true for all of us."

Closing Comments

In closing, Oprah knows for sure that "if **HAPPY THANKSGIVING!**

you ask yourself the same question Gene Siskel asked her back in 1998, what you'll find along the way will be fantastic because what you'll find will be... yourself."

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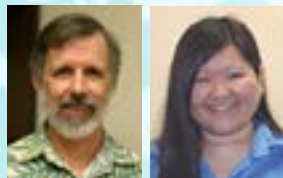
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CPA FIRM MICROCOMPUTER TECHNOLOGY

By Ron Gouveia CPA.CITP and Joy Takaesu of Carr, Gouveia + Associates, CPAs, Inc.



We're seeing reports regarding upgrades to Windows 10 from Windows 7 or 8.1 PCs that some users are encountering dialogue boxes that only have choices to start the upgrade process or reschedule it for a later date. Also, there appear to be cases where the only option is to begin the upgrade process. Microsoft has reportedly admitted this is caused by an error on their part, and is taking steps to prevent future unintentional upgrades. Be aware

of these issues and answer questions carefully when presented with upgrade dialogue boxes. It's possible that using a System Restore from a point prior to September 15 may be the only way around such a situation. If you do upgrade and want to go back to Windows 7 or 8.1, that is possible from within Windows 10. We recommend that you wait on this upgrade until the second quarter of 2016 after tax season. Keep in mind that the upgrade is free until July 29, 2016.

With its next big Windows 10 release, Microsoft is going to reduce activation hassles. With this release, users will be able to use their Windows 7, 8, or 8.1 product key to perform a clean Windows 10 installation. Threshold 2 is expected to be released in November. With this release, users will be able to do a clean install of Windows 10 using a product key from a corresponding edition of Windows 7, 8, or 8.1 that has been activated on that device. Currently, Windows 10 requires at least one upgrade install over a fully activated Windows 7 or 8.1 systems to enroll the device's Windows 10 license on Microsoft's activation servers. After that successful activation, those

servers automatically activate the proper edition of Windows 10 when it is installed later assuming the hardware hasn't significantly changed.

Microsoft's support of iOS makes it possible to use the iPhone as an enterprise device. Microsoft Skype for Business is great for meetings and messaging within the organization. Outlook for iOS gives full access to the Global Address List and provides access to email and calendar. Microsoft OneNote coupled with Office 365 is a great application for collaboration, for staying organized, and for getting access to project information from any device. Office for iOS offers use of Excel and Word among other apps. Microsoft Office Lens for iOS can be used to scan in business cards and to capture photos which integrate with OneNote. Other Microsoft business apps for the iPhone include Remote Desktop, OneDrive for Business, Office 365 Admin, Azure Multi-Factor Authentication, Yammer, and Lync 2013 for iPhone.

If you have any questions or comments call me at (808) 837-2507, or send e-mail to ron@cga-cpa.com.

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Wayne L. Chu
1950 - 2015*

Our sincere regret at the loss of a colleague, friend and member of the HSCPA since 1980. We wish to express our deepest sympathy to his family and friends.



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NOVEMBER



Upcoming Peer Review: Is Your Firm Ready? • November 3 (Tuesday)

This one-day course is designed to identify how to prepare for your next peer review - decisions to make and pulling together the right information. Seminar will advise on what to do between reviews to maintain a quality control environment and continually prepare for the next review. It will also recognize significant recurring engagement deficiencies and how to prevent them. [more>](#)

AICPA's Annual Update: Top Governmental and Not-for-Profit Accounting and Auditing Issues Facing CPAs • November 5 (Thursday)

The objective of this course is to enhance participants knowledge and application of professional judgment by providing a review of the top accounting and auditing issues faced by preparers of governmental and not-for-profit financial statements and their auditors based on calls and inquiries received by both the AICPA and GASB over the past year. [more>](#)

ETHICS Professional Ethics for Hawaii CPAs • November 6 (Friday) **KAUAI**

This course will cover the basic tenets of professional ethics, and explain recent changes in the AICPA Code of Professional Conduct. You will learn to identify, analyze and respond to conflicts of interest, how to apply independence rules in your practice, and key rules regarding client confidentiality. The presentation will also cover recent Hawaii developments and tips to avoid malpractice claims or liability. [more>](#)

Accounting and Auditing Update for Small Business • November 6 (Friday)

Geared toward practitioners who provide accounting and auditing services to small businesses, this course updates you on the new accounting, auditing, compilation and review standards, and other professional guidance that impact small businesses and their auditors. Materials include practical applications of the topics covered to help you understand and apply the standards to real-life scenarios. With the rate of change in today's regulatory environment, you must stay current on all of the topics impacting the profession. [more>](#)

Drive Your Competitive Edge with Audit Quality • November 7 (Saturday)

SSmall groups will work together to apply what theyve learned by examining audit quality case studies and sharing ideas and best practices. In addition to four free CPE credits, participants will receive a toolkit of practical resources to help them effectively and efficiently provide quality services and showcase their firms value. [more>](#)

FREE

Hawaii Technology Conference • November 12-13 (Thursday-Friday)

Conference will help you determine how to utilize existing and future technologies to address the needs of your organization; describe trends in hardware and software in order to make more informed decisions for your business and your clients; develop and implement strategies for Cloud computing and the Mobile office; utilize Microsoft Office's most powerful features; and so much more!. [more>](#)

Register online or download registration form at: https://www.hscpa.org/writable/files/cpe_registration_form.pdf



DECEMBER



Project Management for Controllers

December 1 (Tuesday) **8:30 am - 12 noon**

Controllers are increasingly being called upon to help manage projects and lead other changes in their organizations. While this may be sometimes out of the comfort zone of most controllers, these projects provide controllers with great opportunity to shift their role from gate-keeper/technician to enabler/partner. Just like accounting has standardized processes and disciplines, so does project management. Attend this workshop to learn the basics of project management so that you can increase your effectiveness and ability to help optimize your organization. [more>](#)

Information Security for Controllers

December 1 (Tuesday) **1:00 pm - 4:30 p.m.**

Recent security breaches at big name companies has moved Information Security back to the top of mind for many organizations. How can Controllers better assess the risk associated with information security? And how can Controllers ensure that their organization has done its duty in protecting the information of its customers, business partners, and employees? Attend this session to learn the basic information security concepts you need to know to assess information security risks, identify compliance requirements, and talk intelligently with IT to understand the technical controls they've put in place. [more>](#)

IT General Controls for Non-Techies • December 2 (Wednesday)

The need for IT general controls is pervasive in today's IT environment. Attend this workshop to obtain an overview of IT general controls and how they help to mitigate an organization's IT-related risks. Learn to analyze the key IT general controls in a simple IT environment and their role and linkages back to financial statement assertions through a case study. Walk through a moderately complex entity and its systems and network, and assess the risks associated with compliance for a financial statement audit, internal audit, and the Payment Card Industry Data Security Standard (PCI DSS). [more>](#)

2015 Tax Forum • December 3 (Thursday)

Get the latest on DoTAX: Vision, Initiatives and Priorities; the New Circular 230 in Ethics; New Federal Tax Law; Nonprofit and Estate & Gift Tax Update; Current Developments in International Tax & Reporting and Offshore Voluntary Disclosure; Hawaii Legislative Tax Update / Federal Due Dates; What Every Accountant Should Know About Criminal Tax Cases - The Do's and Don'ts and How to Identify Such Cases; and Practical Tips and a Primer on White Collar Crime and the Federal Grand Jury. [more>](#)

ETHICS Professional Ethics for Hawaii CPAs • December 4 (Friday)

This course will cover the basic tenets of professional ethics, and explain recent changes in the AICPA Code of Professional Conduct. You will learn to identify, analyze and respond to conflicts of interest, how to apply independence rules in your practice, and key rules regarding client confidentiality. The presentation will also cover recent Hawaii developments and tips to avoid malpractice claims or liability. [more>](#)

Register online or download registration form at: https://www.hscpa.org/writable/files/cpe_registration_form.pdf



DECEMBER



Year 2015 Tax Update • December 7 (Monday) **KAUAI**

This comprehensive federal Tax Update will cover all new tax legislation, including the status of the expiring provisions of the Tax Increase Prevention Act, the impact of the Health Care Act and penalty provisions for not having health care coverage, and the new final regulations on the 3.8% Medicare tax on net investment income; the Foreign Account Tax Compliance Act; transition relief of Notice 2015-17 and guidance for employers that reimburse for the cost of health insurance; and other new regulations, cases, and rulings in all areas of federal taxation. [more>](#)

Year 2015 Tax Update • December 8 (Tuesday) **MAUI**

This comprehensive federal Tax Update will cover all new tax legislation, including the status of the expiring provisions of the Tax Increase Prevention Act, the impact of the Health Care Act and penalty provisions for not having health care coverage, and the new final regulations on the 3.8% Medicare tax on net investment income; the Foreign Account Tax Compliance Act; transition relief of Notice 2015-17 and guidance for employers that reimburse for the cost of health insurance; and other new regulations, cases, and rulings in all areas of federal taxation.. [more>](#)

Year 2015 Tax Update • December 9 (Wednesday)

This comprehensive federal Tax Update will cover all new tax legislation, including the status of the expiring provisions of the Tax Increase Prevention Act, the impact of the Health Care Act and penalty provisions for not having health care coverage, and the new final regulations on the 3.8% Medicare tax on net investment income; the Foreign Account Tax Compliance Act; transition relief of Notice 2015-17 and guidance for employers that reimburse for the cost of health insurance; and other new regulations, cases, and rulings in all areas of federal taxation. [more>](#)

Individual Tax Workshop - Advanced • December 10-11 (Thursday-Friday)

Participants will review the rules, regulations, and forms required for the filing of the individual income tax return. This two-day program will use the Form 1040 to highlight commonly encountered problems. [more>](#)



- ☒ CPA license renewal
- ☒ Individual Permit to Practice renewal
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- ☒ If applicable: Form CPA-PR1, CPA-PR2 or CPA-PR3 (submit to the Hawaii Board of Public Accountancy)



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