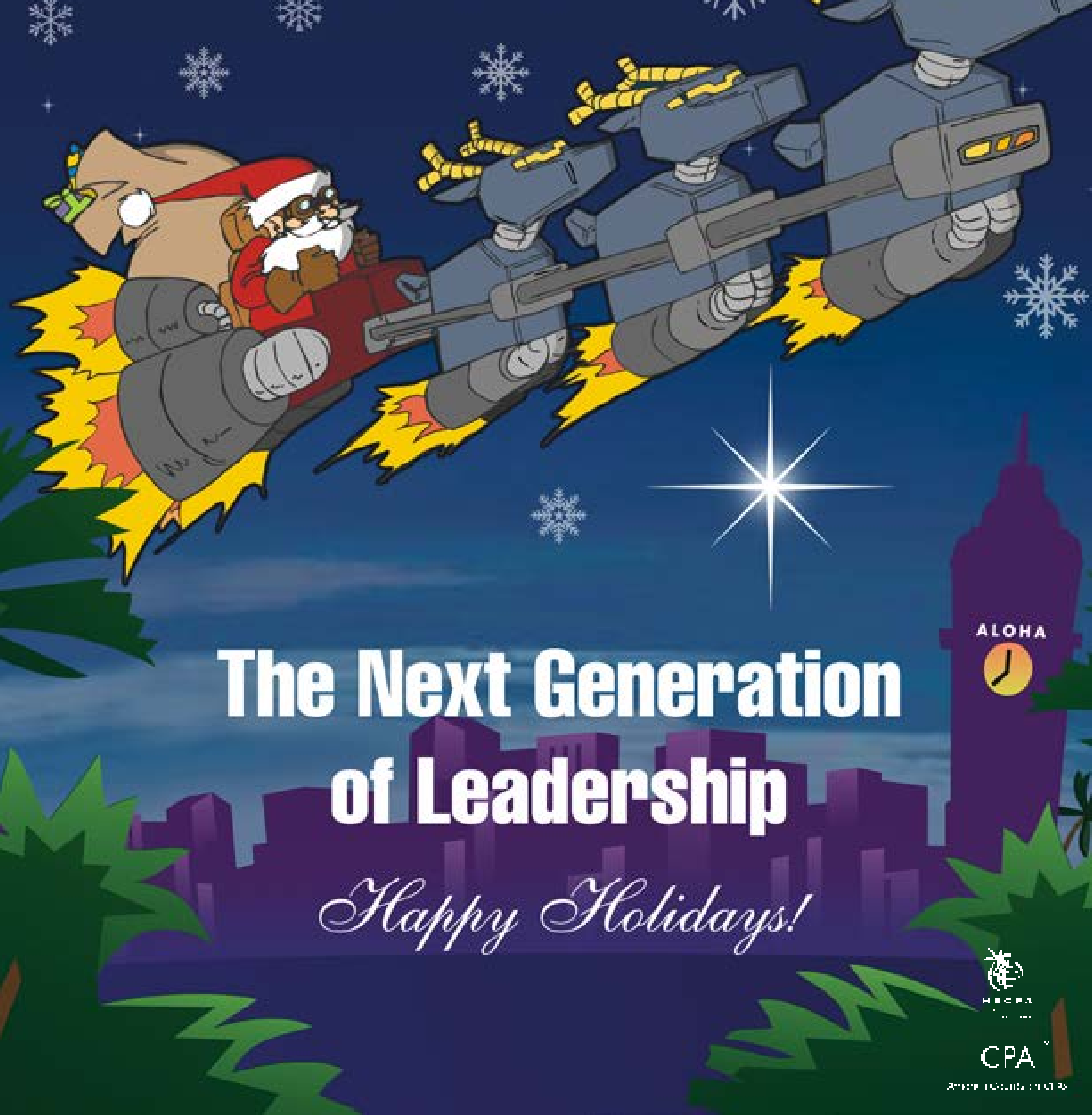
DECEMBER 2015

KĀLĀ

The Official Publication of the Hawaii Society of Certified Public Accountants



The Next Generation of Leadership

Happy Holidays!

KALA

The Official Publication of the Hawaii Society of Certified Public Accountants

Hawaii Society of CPAs

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HSCPA
Hawaii Society of Certified Public Accountants

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December 2015

In This Issue

President's Message

By Gordon Tom

Aloha, Members and Happy Holidays! I hope everyone had a great Thanksgiving and enjoyed some time off with family and friends.

I attended a lot of workshops and conferences this fall, and spent a lot of time traveling through airports, where I was very thankful I registered for TSA Pre-check last year. It has saved me on more than one occasion from missing my flight because I was stuck in a long line at security. If you are not familiar, TSA Pre-check is a program that provides for a dedicated (usually shorter) security line at most major U.S. airports, including all of the airports in Hawaii. There is usually a dedicated lane and line, and an expedited screening process whereby you do not have to remove your shoes or belt, or take your laptop and liquids out of your bag. It's a huge time saver when it's available. If you fly often, I highly recommend applying for the program. There is a registration fee of $85, which is good for five years, and you will need to schedule an appointment to complete the application in person at a TSA site (there is one available in downtown Honolulu). Although you are not guaranteed to receive expedited screening on every flight, I have received Pre-check on the majority of the flights I have taken since registering. Another option if you travel internationally is to register for the Global Entry program for $100, which provides expedited customs clearance when re-entering the U.S. from abroad and it includes the TSA Pre-check benefits too. For more information, including how to register for Pre-check or Global Entry.

At one of the conferences I attended, there was a session on the use of mindfulness at work as a tactic to survive in today's business environment of constant distraction and long hours. Mindfulness is a practice or state where one is aware of one's thoughts, feelings and sensations, and the acceptance and understanding of how those thoughts, feelings and sensations can impact our ability to process information and make decisions. Mindfulness practices, although similar to meditation, are different in that you do not necessarily have to dedicate a time and place to perform them. There are lots of studies available on the positive physical and mental health benefits of mindfulness practices and the use of mindfulness practices in the business environment is growing.

The session also covered how the use of mindfulness practices and training programs in business started with tech companies like Google and Facebook, but has grown to other national companies like Goldman Sachs, Aetna, and Ford. The session leader shared with us a story about a large law firm client that uses a mindfulness tool just prior to starting trial each day, and that the firm noticed an increase in performance and success in the courtroom after implementing the tool. There are a lot of resources available online and what-mindfulness-app-is-right-you apps you can try if you are interested in exploring more about mindfulness practices. It will be interesting to see if the accounting industry and if CPA firms will use and implement mindfulness practices in the workplace in the future. Perhaps it will be a topic or session at a future HSCPA conference.

As a reminder, don't forget to renew your license and permit to practice (if applicable) by December 31st. 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, do not forget to also renew your firm permit to practice too. In addition, all firms providing attest work as of December 31, 2014 are now required under Hawaii law to enroll in a peer review program and notify by the Board of Public Accountancy by December 31, 2015, and have a peer review completed by December 31, 2017. For more information on what a peer review is, please visit www.aicpa.org AICPA's Peer Review Homepage or www.hscpa.org HSCPA Peer Review Page, or contact the HSCPA office.

Have a safe and happy holiday season. See you in 2016!

Managing Outlook for Productivity

By Randolph P. Johnston, MCSE, MCS, Executive VP, K2 Enterprises

My cluttered Outlook inbox used to make me feel guilty. I've always said in my conferences and seminars that leaving messages in one's inbox is by no means an effective way to manage tasks, so how could I be so hypocritical?

Well, it's easy to understand how inbox pileup occurs. Managing email takes a lot of time, mostly because of the following five tasks:

1. Setting up and managing folder structures in order to make emails easier to find
2. Keeping the inbox clean by moving saved mail to the appropriate folder (it's a never-ending task)
3. Setting up tasks for emails that require action
4. Putting very important tasks on the calendar and dedicating specific time to do them
5. Assigning categories to emails and tasks to make them easier to find

Figure 1 – Traditional Email Management Tasks

Each of these tasks alone requires some time to complete, and some people just can't find or make the time to do any of them. More and more participants in my seminars admit to giving up on their inboxes. They delete the junk and move on. They don't move emails from the inbox into folders. They leave undeleted emails in the inbox forever. Yet they claim they have a better handle on their email now than ever before. How can this be?

It's all possible because of the new and improved search capabilities in Outlook 2010, 2013 and 2016. All versions offer much better management tools than did their predecessors, and give us the ability to completely rethink how we manage email.

Instant Search (Outlook 2010 and Later)

Outlook 2007 introduced Instant Search, and Outlook 2010 and later improve upon the original version by making it significantly easier and more intuitive for users to narrow their search results by adding search criteria. Whenever users click in the **Search** box at the top of the Message List, the **Search Tools** contextual tab is displayed, as shown in **Figure 2**. Users can search with a wide variety of criteria (From,Subject, Has Attachments, etc.) and through a list of locations (Current Folder, All Subfolders, All Mail Items, All Outlook Items).

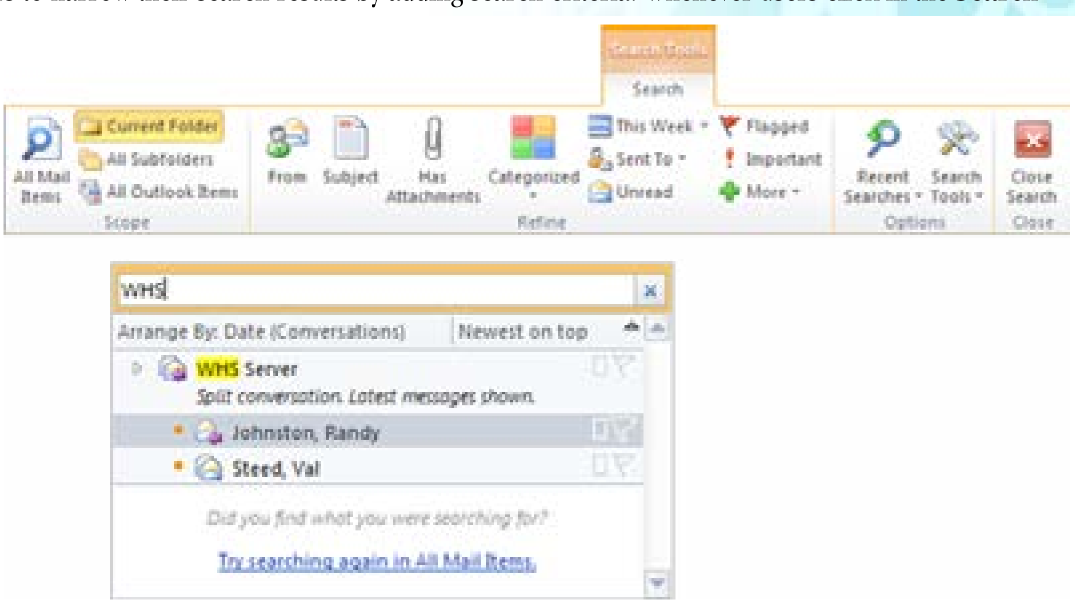


Figure 2 – Search Tools Contextual Tab

Continued on page 6

Continued from page 5

Instant Search is available in all Outlook folders – Mail, Calendar, Contacts, Tasks, Notes, and the Journal. Look for the **Search** box at the top of the main application window in folders other than Mail, or press **CTRL + E** to access Instant Search from any folder location. Note that field criteria are specific to the type of folder you search. If the Search Tools contextual tab doesn't display your desired criteria, click **More** for a complete list of fields.

One of the most significant improvements upon the original version of Instant Search is the ability to search all folders simultaneously, by clicking on All **Outlook** Items in the **Scope** section of the ribbon **(see Figure 2)**. In earlier versions of Outlook, you could search only one folder at a time. Even back then it was better not to separate email into an extensive collection of folders, because you had to search each folder one at a time.

Selecting the **All Subfolders** option (also in the **Scope** section on the left side of the ribbon), which searches all folders below the one you are currently in, generally will find what you are looking for, because most folders are below the inbox.

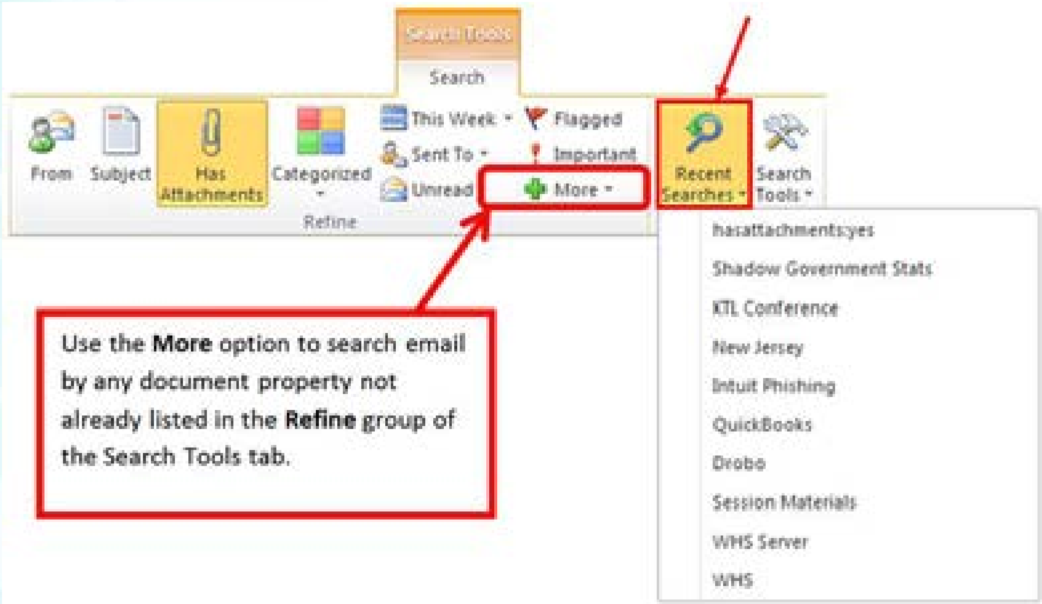


Figure 3 – Ten Most Recent Searches Maintained for Easy Reuse

As you see in **Figure 3** below, the **Refine** group of the **Search** tab allows you to search by multiple criteria, such as **From**, Has **Attachments**, and date sent. If these options do not adequately refine your search, you can always click on the **More** option in the same group and search for any other attribute of the email or other Outlook object you are looking for.

The criteria for the ten most recent searches are maintained in the **Recent Searches** drop down list, as shown in **Figure 3**.

I generally can find the email I'm looking for in just a few seconds, thanks to Instant Search. It's so much quicker to use Instant Search than to pore through folders item by item. Plus, I save time by not putting stuff in folders. My email server allows me to keep 25 GB of email history, which means I can keep years of email in my inbox and search it all in a matter of seconds.

If you adopt this approach and leave everything (except junk mail) in your inbox, you'll have to quit using your inbox as a repository for unanswered email and undone tasks. You'll have to respond to email as soon as you read it, as long as you take no more than three minutes to do so, or make reading the email itself or completing the action requested in the email a task or a calendar item. This approach is similar to one promoted by Gmail and other efficiency experts such as Sally McGhee and John Wittry in <u>Take Back Your Life!</u>

K2 teaches in-house, conference sessions and all day Outlook courses. A few more ideas that may help you include the following:

Universal Drag-and-Drop in Outlook

Outlook supports drag-and-drop universally throughout the application. Thus, if you receive an email message and need to create an appointment on your calendar containing the details of the message, simply drag the message from the message list, and drop it onto your calendar in Outlook. Similarly, if you need to add an attachment to a message, you can drag it from your desktop into the message; conversely, you can drag attachments from a message to your desktop. Universal drag-and-drop eliminates unnecessary typing and other keystrokes otherwise required to perform many functions in Outlook.

Assign Outlook Tasks to Others

Are you trying to manage multiple projects and tasks that involve other team members? If so, try assigning these tasks to others in Outlook. To do so, first add a task to Outlook. Then right-click on the task and choose Assign Task from the pop-up menu. Enter any desired details and click Send to assign the task to another team member. Once the team member accepts the task, he will be able to send updates and notes to you by updating the task in his instance of Outlook, helping you to minimize the amount of time you spend managing tasks.

Save Time with Outlook's Quick Steps Feature

Do you often perform multiple actions – such as adding a category to a message and moving that message to another folder – on items in Outlook? If so, create a Quick Step to automate these tasks for you. From the Home tab of the Ribbon in Outlook, you can customize the "canned" Quick Steps provided in Outlook and create new ones to meet your specific needs. Once you do so, select an item and then click the Quick Step you wish to apply and Outlook will perform all of the actions designated in the Quick Step on the selected item.

Clutter

In Outlook 2016, a new feature called Clutter helps filter your low-priority email—saving time for your most important messages. Clutter looks at what you've done in the past to determine the messages you're most likely to ignore. It then moves those messages to a folder called Clutter. If you keep using email as usual, Clutter will learn which messages aren't important to you. From time to time, Clutter might get it wrong. You can move the messages incorrectly identified as clutter to your inbox, and Clutter will take notice and change behavior in the future.

Conclusion

Items 3, 4, and 5 in Figure 1 are still good ideas, but they take discipline. Why bother making something a task if you're just going to ignore it every time you open Outlook? If you absolutely must do a task, block time on your calendar to do it. Categories are optional, but Outlook rules make it easy to assign categories to inbox items automatically.

Sometimes I still feel guilty about having hundreds of items in my inbox. But then I remember how much time I save by leaving everything in my inbox and letting Instant Search do the hard work for me in just a few seconds. I think it's a pretty good trade-off.

Randy is a member in K2 Enterprises, where he develops and presents continuing professional education programs to accounting, financial, and other business professionals across North America. You may contact him at randy@k2e.com.

The Next Generation of Leadership

By Jim Boomer, CPA.CITP, MBA CIO, Boomer Consulting, Inc.

We are headed toward a massive transition in leadership at firms across the country as the current leadership gets closer to retirement. Some firms have already successfully transitioned, others are preparing, and then, there are those that don't yet have any plans in place. The transition discussion is abuzz at the conferences I've recently attended – both among attendees and speakers. And, tensions are high between the very generations whose roles are about to shift, which is extremely concerning.

The State of the State

Current leadership often complains they can't find quality candidates to fill the pipeline. Pointing to a generation that doesn't want to put in the hours or work for it. They use words like lazy and entitled to describe them and say they waste time using technologies like mobile and social media. The younger generation uses terms like out-of-touch and archaic to describe the people they will succeed. They point to a need to do things differently to succeed in the future and some suggest throwing out the old model completely. So who's right? I'll show you here how the correct answer lies somewhere in the middle.

Listen Up Emerging Leaders

I've been hearing an increasing number of people from my generation (the emerging partner group) spreading a message that the old model is antiquated and needs to be replaced by completely new thinking. I agree that we need to do things differently but a complete reboot isn't necessary. Emerging leaders needs to step back and understand a few things about those that have come before us.

- First, they have years of wisdom and professional experience that we can and should tap into if we are smart business people.

- We also need to appreciate everything they've done to set up the opportunity that is currently ahead. It would not exist if not for the hard work they put in throughout their careers.

- We need to realize it's hard to let go of something you've been doing your whole life. We may have to temper our expectations of how quickly we are going to ascend in the firm.

- We also need to present our new ideas with respect and ask how they fit in with current leadership's view of the environment.

- Finally, don't push too hard. This is an emotional transition that takes time. They need to work through it personally before they can work share the plan or roadmap with anyone else.

Tips for Current Leaders

Seasoned professionals must think back to earlier in their own careers so they can better empathize with what the emerging professionals are thinking, feeling and doing. A few years ago I listened to Bill Reeb speak on generations – he read an article to the audience that listed all the gripes current management had with the next generation. Only after the audience (made up mostly of seasoned professionals) had finished their wave of head nods in agreement did he reveal that the article was from many years ago and was actually written about the

Baby Boomer generation. Truth be told, you've been in their shoes and, likely, someone judged your perceived intentions (or lack thereof) at some point in your career. So let's look for the positives that we can leverage to move forward toward a successful transition.

- First and foremost, the up-and-coming leaders bring a fresh perspective that is important to the future of the firm. They also bring new ideas and skills to the table as well; especially in the area of technology. Leverage these to the firm's advantage.

- Open your mind to new ways of thinking and doing things. Considering how these ideas might fit into how you've traditionally done things.

- Coach & mentor young professionals but also challenge them. This involves stepping back, which can be emotional and difficult to do but is necessary to the transition.

Finding a Middle Ground… TOGETHER

Although Thoreau wasn't referring to the accounting industry when he said "things don't change, we change," I think this quote is a great way to approach the coming of ages. The sooner we stop throwing daggers at each other based on what the other perceives to be wrong and start focusing on the positive aspects we all bring to the table, the quicker we can start blending our perspectives and planning the transition – together. This building tension and divide must stop. It will derail, delay and even destruct the impending and important shift in leadership, and we must all come together now to ensure a successful transition.

Put an action plan in writing that spells out the transition timeline, what/when activities will be transitioned and how approaches can be melded. This will probably require many emerging leaders to 'tap the brakes' and current leaders to 'hit the gas,' but working together you can figure it out.

Jim Boomer is a shareholder and the CIO for Boomer Consulting, Inc. He is the director of the Boomer Technology Circles, The Producer Circle, The CIO Advantage and an expert on managing technology within an accounting firm. He also serves as a strategic planning and technology consultant and firm adviser to CPA firms across the country. He is also a graduate of the AICPA Leadership Academy and the KSCPA's "20 Under 40" Leadership Program.

American Institute of CPAs Proposes Expanding Joint Venture with CIMA

Legendary investor Warren Buffett has a saying: "Someone's sitting in the shade today because someone planted a tree a long time ago." This quote underscores the importance of anticipating and preparing today for the opportunities and challenges of tomorrow.

The CPA profession has a long history of doing just that. The HSCPA and the American Institute of CPAs (AICPA) currently are working on a wide variety of initiatives to enhance the relevance and vibrancy of the profession far into the future. These initiatives include programs to promote the value of CPAs as trusted business advisors, enhance audit quality, broaden the definition of attest, help firms identify and remedy issues during A&A engagements, evolve the Uniform CPA Exam, attract the next generation of talent, and meet the information and educational needs of members in public accounting, business, government and specialized services.

In response to the needs of members working in corporations of all ownership structures and sizes, the AICPA formed a joint venture with the Chartered Institute of Management Accountants (CIMA) in 2011. CIMA is the world's leading and largest professional body of management accountants. Founded in 1919, CIMA represents more than 227,000 members and students operating in 179 countries, working in industry, commerce and not-for-profit organizations. In January 2012, the two organizations launched the Chartered Global Management Accountant (CGMA) designation. The number of CGMA designation holders is now more than 150,000 worldwide, with over 50,000 in the U.S.

Now, the AICPA and CIMA are beginning a conversation with their respective members about a proposal to integrate their operations, strategy and management through a newly formed association. The AICPA would continue to serve members and protect, promote and grow the CPA profession. The new association aims to maximize efficiencies and provide a broader platform for further enhancing advocacy, promoting public and management accounting on campuses and with employers and clients, and developing new research and educational offerings. According to Arleen Thomas, CPA, CGMA, AICPA Senior Vice President-Management Accounting and Global Markets, "A presence in Europe will dramatically increase our ability to advocate for members on international matters that are increasingly impacting the U.S. securities system. In addition, the proposal would enable the profession to achieve even greater influence domestically and internationally and broaden the appeal of accounting to the next generation of professionals."

Unwavering Commitment to the CPA

"Our strategy is built on the power of 'And,'" said Barry C. Melancon, CPA, CGMA, AICPA President and CEO. "The AICPA would continue to maintain an unwavering commitment to the CPA, promote high standards for ethics and quality, and protect the public interest and the core values of the CPA profession. What we would gain through this new association with CIMA is the further professionalization of management accounting. Financial reporting is stronger when we drive quality in both public and management accounting."

Trends Driving Need for Evolution

The CPA profession has a history of anticipating – and adjusting to – changes in market demands. The profession has grappled with and developed solutions to address increasing complex technology, specialization, and evolving business structures; these drove such evolutionary steps as the computerization of the CPA Exam, non-CPA firm ownership and the adoption of cloud computing solutions.

Current trends and challenges on the horizon have been carefully assessed by the AICPA as part of its ongoing strategic planning process. With record membership numbers and the CPA reputation at the highest level, the AICPA believes that the time is right to pursue a proposal that will better enable the profession to tackle such factors as:

- The growing worldwide talent shortage and associated demand for ever higher levels of specialized knowledge and services
- Significant demographic and generational shifts
- The increasing number of accounting graduates bypassing professional affiliation and the associated commitment to a professional code of conduct
- The shift of economic growth toward Asian and emerging markets
- The greater international mindset of

today's graduates and the overall trend toward more international connectedness and interdependencies

- Regulatory impact coming from Europe and other parts of the world that are affecting businesses in the U.S.
- The need for finance professionals, facing an increasingly competitive job market, to differentiate themselves from their peers and demonstrate greater strategic management and business partnering skills

Building on Existing Joint Venture's Success

Approximately 50 percent of most state CPA society and AICPA members work in businesses of all sizes and ownership structures. Creating the CGMA offered these professionals a complementary designation and enhanced resources. Since the designation's launch, the American Institute of CPAs and CIMA have delivered nearly 120 reports and tools plus online events and career development resources to members seeking to increase their knowledge and hone critical skills for the future. The organizations also developed the www.cgma.org CGMA Competency Framework and the www.cgma.org Global Management Accounting Principles. In addition, so that members and employers could better assess and address accountants' skills and competency gaps, the organizations launched the competency.aicpa.org AICPA | CIMA Competency and Learning platform. The tool also analyzes public accounting skills, such as those related to assurance as well as employee benefit plan and governmental audits.

CGMA designation holders also have access to the CGMA Magazine, the CGMA Finance Impact Tool, numerous reports and case studies on best practices, and the Harvard ManageMentor online learning and performance support resource program. The website cgma.org is the hub for all of these resources and more.

Benefits of the Proposal

"We are supportive of the direction the AICPA Board is recommending," said Gordon Tom, HSCPA President. "The changes this profession faces today are greater than ever. To preserve our relevance and stature, the profession needs to embrace change and consider innovative ways to better anticipate, reflect and lead. The work between the AICPA and CIMA has contributed greatly to the professionalization of management accounting, and that is much needed today. The proposal would bring together the entire accounting profession and extend the influence of a CPA-led accounting profession in the U.S."

Strengthening the bond between the two organizations would streamline resources and create efficiencies to help both organizations move faster to market and produce content with broader perspective, especially on international business issues, which are increasingly impacting CPA firm clients. In particular, the AICPA cites the gains in advocacy that could be realized when speaking on behalf of more than 600,000 current and next generation accounting professionals. The association of the AICPA and CIMA would form the most influential body for the accounting profession, within the U.S. and globally, advocating on tax, audit, financial reporting and other issues important to members.

What's Next?

Gaining member insights into the AICPA and CIMA evolution is critical to helping the Institute's governing Council determine its next course of action. Council will assess member feedback and consider authorizing a member ballot in the spring. Moving forward would require a vote by members, with a majority of those voting supporting the proposal. CIMA has a similar requirement and timeline.

Members are encouraged to visit aicpa.icidigital.com aicpa.org/horizons to find out more about what they could gain from a deeper relationship with CIMA and provide feedback on the proposal.

HSCPA's Give Back Day at Ala Moana Beach Park

Making a difference in the community that we all live and play in is a given and it takes working together for this common goal. On Saturday, November 7th, 40 Y-CPA professionals and UH Accounting Club / BAP members gathered at Ala Moana Beach Park for HSCPA's annual Give Back Day. We even had "mini" volunteers! Despite the inclement weather, everyone showed up donned some gloves, picked up a trash bag, and the group headed out in various locations of the park. One condition: The group returning with the most unusual trash would win a prize. The winning group returned with a bag full of interesting trash which included a car [cleaning] brush, an inflated Minnie Mouse helium balloon, and a large rubber ball.

After a couple of hours in the rain – and sun – we all enjoyed chilled water and a nice bento lunch! Our special thanks to **Robert H.Y. Leong & Company, CPAs** for sponsoring this event and for the continued support of the efforts of the Y-CPAs and accounting students. Mr. Leong and his firm have been staunch supporters of this event for many years and we all appreciate it – thank you very much!

The Y-CPAs are proud of its commitment to community service and invite others to join in the support. Let's beautify our surroundings. Be kind to the environment and those around you by picking up trash when you see it lying around. It doesn't matter who left it there, just pick it up!

Norman's Book Review

"The Book Of Aloha"

by Mutual Publishing

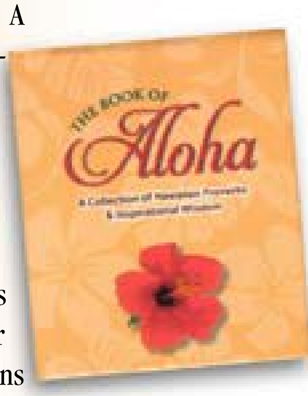
With the holiday season quickly approaching, people are always looking for that unique gift to give someone. A perfect gift for the person with everything and especially friends on the mainland is *"The Book of Aloha."*

As the title notes, it's a "collection of Hawaiian proverbs and inspirational wisdom" from 37 contributors of Hawaiian ancestry and a few other individuals, about what "aloha" means to them. For each passage, there is a matching picture that captures the essence of the person's words. What also makes it interesting is the description which gives you a perspective of the meaning of "aloha" from the 1880's to current day Hawaii.

"The Book of Aloha" contains a short write up of each of the 37 contributors of Hawaiian ancestry, and a detailed description of where each passage was obtained. Thus, if you wanted to learn more about the contributor and the passage, you can easily research it online. Before I give you a few examples of what I mean, I need to do a "shout out" about Mutual Publishing.

Mutual Publishing

I'm almost 100% certain, whether you realize it or not, that you have bought at least one of the books Mutual Publishing has produced. Per its website, it has been in business for close to 40 years and has published over 500 titles. It is Hawaii's largest trade publisher, and for you CPAs with literary talents, it also offers private label and author-published services. Some of the best sellers are Grant Sato's *"An Okinawan Kitchen,"* Lanai Tabura and Frank Abraham's *"Cooking Hawaiian Style,"* Joleen Oshiro and Betty Shimabukuro's *"Hawaii's Ohana Cookbook,"* and Tim McGuire's "Hawaii's Pets." Next time you go shopping for a book related to Hawaii or by someone in Hawaii, the odds are high that Mutual Publishing helped the cause.



"Aloha ke Akua"

Back in March 13, 1959, the day after statehood was announced, the late Reverend Abraham Akaka uttered these words at his Statehood Service delivered at Kawaiaha'o Church. The following is the excerpt from his sermon, as noted in the book as well as at www.akakafoundation.org.

> *"Aloha ke Akua" – in other words, "God is Aloha." "Aloha is the power of God seeking to unite what is separated in the world - the power that unites heart with heart, soul with soul, life with life, culture with culture, race with race, nation with nation."*

"Imi au ia'oe, e ke aloha"

In 1988, Danny Kaleikini was proclaimed Ambassador of Aloha and has entertained and inspired hundreds of thousands of people over the years. Reflecting upon life in general, he wanted to pass this saying down to the future generations of Hawaii's keiki:

> *"Imi au ia'oe, e ke aloha … Love brings us together as a family; aloha brings us together as one. I've discovered that underneath, we're all alike. We're all people like me."*

Auntie Irmgard Farden Aluli

The late Auntie Irmgard who passed away in 2001, wrote over 200 songs and was the most prolific female Hawaiian composer since Queen Lili'uokalani. In addition to her composing skills, she was an excellent performer and teacher, always giving back to others. She was a true giant of Hawaiian music, and an icon of Hawaiian culture. The following is her thoughts on "aloha" and how she lived her life.

> *"The state of aloha can be created in an instant. It is a decision to behave with kindness, with generosity, wanting to give joy to another."*

The Tradition of Lei Making and Giving

The embodiment of the "aloha spirit" and Hawaii is the tradition of lei making and giving. At graduations throughout the world, you know which graduates are from Hawaii with their leis to the top of their heads. Only in Hawaii are you greeted with a lei when you arrive in the islands, and given a lei when you leave the islands. It is even more memorable when you make the lei for your special someone.

To describe the deep meanings behind the tradition of lei making and giving in Hawaii, the book quotes Marie McDonald, one of Hawaii's most respected kupuna (teacher) in the arts of lei and kapa-making. The Smithsonian Institute has recognized her as a native Hawaiian "living treasure." (She was born and raised on Molokai, and currently resides on her 10 acre farm in Waimea on the Big Island. She authored the definitive book "Ka Lei – The Leis of Hawaii," and co-authored with Paul Weissich the book "Na Lei Makamae.")

> *"In giving a lei, one shows respect and love for someone else."*
>
> *"It isn't just a means of ornamenting the body. More important, we make a lei and present it to honor our fellow man…You do it with care, and care, to me, is high regard for the person for whom you're making it."*
> - Marie McDonald

Hula

Hula is considered one of Hawaii's most significant "export" to the world, with hula halaus in numerous states and countries, and tens of thousands of people wanting to learn to dance hula. For example, 11 State CPA Executive Directors secretly practiced a hula dance under the direction of their teacher and our very own Kathy Castillo for two years, so they could surprise their constituents at the AICPA Fall Council meeting this past October in Maui. They got a standing ovation and moved many attendees to tears. It was an emotional and memorable experience for the State Executive Directors too! That is the power of hula, and Mae Akeo Brown, long time hula dancer and enthusiast, captures the essence of hula with her words noted below.

> *"What you learn in hula should go right to your heart. You keep it there and you love it there. All the kumu hulas I know, everything comes from the heart."*

"Live Aloha, Let Aloha Into Your Life, Be Aloha"

This is the simple mantra by which all of us can live our lives, now and in the future. It is the essence of the book and the reason Mutual Publishing put together this collection of words of wisdom from the esteemed contributors noted in the book, many of whom you know. The book has deep meanings and will touch your soul.

CPA FIRM MICROCOMPUTER TECHNOLOGY

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


Microsoft has announced that it's changing its policy for the consumer version of OneDrive. Microsoft was giving unlimited storage to consumers but has reduced that to one terabyte for Office 365 consumer subscribers. Microsoft also announced it was reducing the amount of entry-level free storage to 5GB, and discontinuing the free camera roll storage bonus. Although it has not announced the unlimited storage offer for OneDrive for Business for SharePoint and Office 365 business customers, there is some speculation that changes may be coming to this product also.

Microsoft will release a big Windows 10 update in November called Threshold 2. In a recent blog, Mary-Jo Foley described the changes in the upgrade process, "The 'reservation' phase of upgrading to Windows 10 is over. Microsoft is now getting ready to push the operating system out to even more users. Microsoft will 'soon' be publishing Windows 10 as an 'Optional Update' in Windows Update for all Windows 7 and 8 customers. Then, 'early next year,' Microsoft will re-categorize Windows 10 as a 'Recommended Update'." Up to now, computers joined to a domain have not seen the update icon in the system tray. It sounds like this is about to change.

Office 365 customers can now download Office 2016. We did that several weeks ago on a Windows 10 computer and have been testing it. The biggest improvement is the share button in the top right corner of all the applications which allow you to easily invite others to share the document, presentation, or spreadsheet. Multiple users can now be in a document, presentation, or spreadsheet at the same time and can see each other's edits in real-time. Others can share in editing the document, presentation, or spreadsheet even if they don't have Office 2016 by using the on-line Office application in Office 365. So far, this looks like it will be a valuable upgrade.

One thing we're going to have to come to grips with as we implement Windows 10 in our businesses is the privacy issues that exist throughout the operating system. By default, Windows 10 is set to share a lot of personal data with Microsoft so that the many features offered by the operating system can be personalized. Many of these are great for personal use but not appropriate in a business environment. The other thing that needs further evaluation is the fact that Windows 10 shares 'telemetry' data with Microsoft and this sharing cannot be turned off. Microsoft says that this telemetry data has to do with operating system issues and errors and does not include personal data and thus is not a privacy issue. The jury is still out on this issue which is going to get a lot of attention as businesses like ours start to implement the operating system. We're recommending you wait until after tax season 2016 to implement Windows 10. Hopefully things will be a lot clearer then.

Regarding buying new computers, Microsoft has announced that it will not allow manufacturers to put Windows 7 on new computers after October 2016. As we get closer to that date it's going to get harder to find computers with Windows 7.

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

Y-CPA Buzz!

Y-CPA Squad 2015-2016

By Trisha Nomura

***Mission:** Provide opportunities for young CPA professionals to become involved in the profession; give back to the community and connect with the sustaining value of being a CPA.*

Having recently attended the AICPA Fall Meeting of Council meeting on Maui and the AICPA's recruitment committee meeting in November, one issue stands out very heavily: Across the nation, the number of college graduates with accounting degrees has been increasing, but the number of new exam candidates has remained flat.

In the upcoming 2015-2016 year, the HSCPA Y-CPA Squad has come up with three main goals for the year, two of which are directly related to addressing this trend and that are in line with our mission of connecting with the sustaining value of being a CPA. At the AICPA recruitment committee meeting, we heard from leaders within the AICPA discuss initiatives in many different areas – the CPA exam, diversity and inclusion, high schools, colleges, academics and the national young CPA group. It is exciting to learn about what the AICPA is doing, and also to begin incorporating some of their efforts to assist us in accomplishing our Y-CPA Squad goals here in Hawaii:

Present the accounting profession to high schools across Oahu

In the past year, we established great relationships with many of our local high schools that have an accounting, finance or business-related class being offered as part of their curriculum. This year, we will continue those efforts and expand the reach of schools that we are speaking to. In conjunction with the Y-CPA committee, we will present the accounting profession to students and answer questions about what it means to be a CPA. The AICPA's "Bank on It" game designed for high school classrooms (which is part of our presentation) has now been played in all 50 states and over 25,000 students have played it across the nation! If you have any contacts at the high schools, please send an e-mail to us through info@hscpa.org and we would be happy to present to more classes.

Increase involvement at the university level

We will be connecting with more of the universities to discuss the value of becoming a CPA upon graduation and to educate students on what the requirements are to both sit for the exam and to obtain their license. The AICPA released an Exposure Draft proposing changes to the exam, and feedback was collected through November 30. The largest change being proposed is that there will be more emphasis on higher-order cognitive skills, including task-based simulations. The next version of the CPA exam will be announced in 2016, so once released we will also be discussing the changes that will take place when it is launched in 2017. If you are interested in learning about these changes, please visit the AICPA's site for more information.

Increase our presence in the community

Always important to us is to give back to the community. So far this year, we have held four service projects: assisting with the Lantern Floating project on May 3rd; Hawaii Foodbank on August 29th; a beautification project at the Les Murakami Stadium on October 10th, and the last one for 2015 was our annual beach clean-up at Ala Moana Beach Park on November 7th. We will be participating in the VITA project once again early next year and will plan at least one additional project by the end of the year.

If you are interested in joining the Y-CPA committee, we welcome new members that are passionate about helping us to carry out our mission! In the event that you are not receiving e-mails as a Y-CPA member, it may be that we do not have your date of birth on file. Please update your profile online so that we can include you in future communications.

The Y-CPA Squad looks forward to a successful year and wishes everyone a wonderful holiday season!

HSCPACPE

DECEMBER

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EDUCATING
YOURSELF

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

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DECEMBER

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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 • December10-11 (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>

Reminders!

- CPA license renewal
- Individual Permit to Practice renewal
- Firm Permit to Practice renewal
- 80 credit hours of CPE, if applicable
- 4 credit hours of CPE in Ethics (for ALL licensees)
- If applicable: Form CPA-PR1, CPA-PR2 or CPA-PR3 (submit to the Hawaii Board of Public Accountancy)

INFORMATION PLAN DIARY NOTE ADDRESS