

SEPTEMBER 2019

KALA

The Official Publication of the Hawaii Society of Certified Public Accountants

What's in your Bag?





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2. Larry Ishii - their Banker
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4. Carlos Quintanilla - Tours Manager/Driver
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KALA (the Hawaiian word for money) is published monthly and is the official publication of the Hawaii Society of Certified Public Accountants. Please direct all inquiries regarding editorial content to HSCPA, 900 Fort Street Mall, Suite 850, Honolulu, Hawaii 96813.

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President's Message

By Darryl K. Nitta

Q: What do accountants suffer from that ordinary people don't?

A: Depreciation!



Thank you, Norman, for providing more jokes to last the rest of my days as President! In my first President's Message,

I wanted to review the HSCPA Mission Statement to ensure that our current path is aligned with our Mission. At the core, the Mission Statement is fine, however, after careful review I really think we need to update the 1932 Mission Statement.

Here is my attempt to re-write the HSCPA Mission Statement which I will be taking to the HSCPA Board for comment:

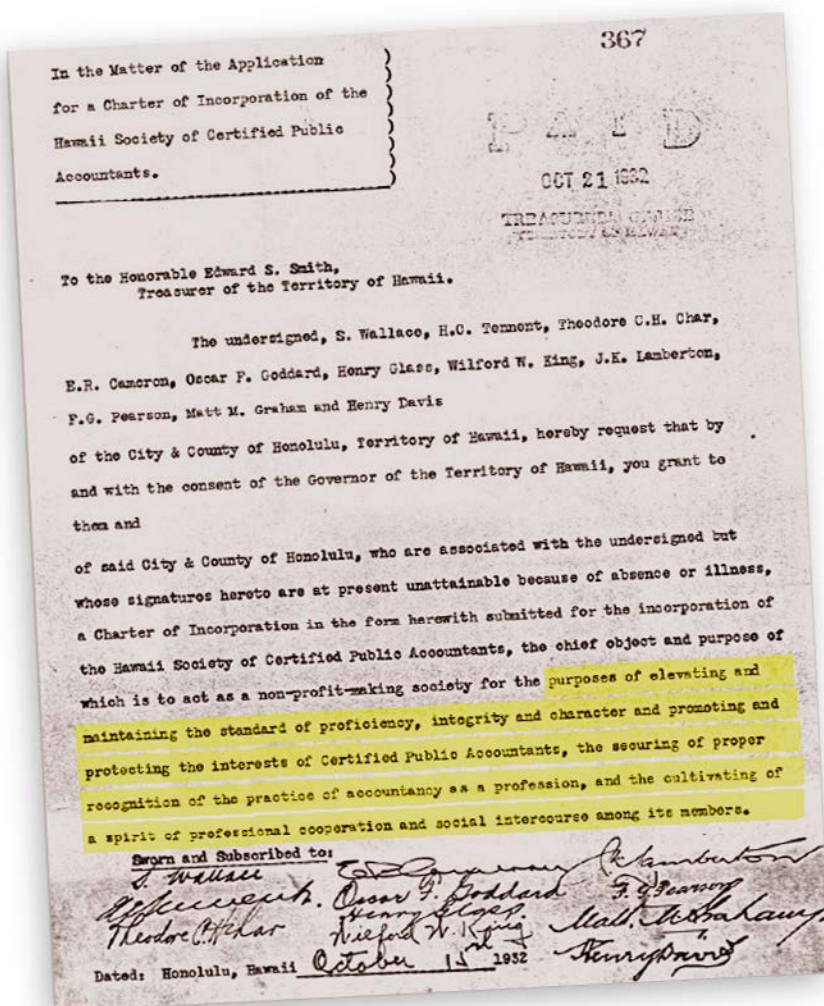
"The mission of the Hawaii Society of Certified Public Accountants is to advance the accounting profession in Hawaii by protecting the interests of its members, maintaining high proficiency standards, securing resources for members to thrive in today's dynamic environment, committing to unwavering professional integrity, cultivating a spirit of professional cooperation among members, and connecting with the sustaining value of being a Certified Public Accountant."

What do you think? Please feel free to send me any questions, comments, or suggestions about our mission statement.

The intention is to introduce the revised mission statement to the HSCPA Board for consideration and adoption. Special recognition is necessary for a few of our Society counterparts in California, North Carolina, Louisiana, and Rhode Island. In crafting the revision to the mission statement, I pieced together the best

characteristics of the mission statements of these Societies.

Looking ahead: Are you prepared for your next Peer Review Examination? Our firm just completed ours and I wanted to share a few helpful hints as well as what I learned from attending one of HSCPA's great CPE classes taught by Dustin Verity.





COME TOGETHER 2019

Members Only
RSVP Required

Happy 87th, HSCPA!

October 3, 2019 (Thursday)
6:00 to 8:00 p.m. at the Prince Waikiki

The HSCPA Board of Directors and Deloitte cordially invite you to join us for cocktails and hors d'oeuvres while enjoying fellowship with HSCPA members.

*Thank you for your
profession throughout*

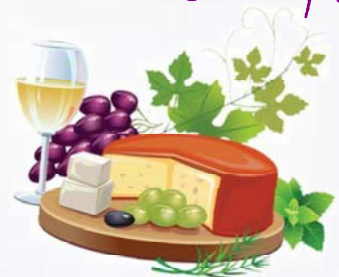
*membership and support of the
the year!*

Libations!



Special guest entertainer

Heavy Pupu!



Deloitte.

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Registration deadline: September 26
***\$10 registration to support the HSCPA**
Family Scholarship Endowment

Mobile CPA - What's In My Bag?

By Marc T Staut, Chief Innovation & Technology Officer



I travel for work and fun. A lot. It's not unusual for me to run into people I know at airports, hotels, conference centers or randomly on the street. More often than not, the conversation inevitably goes something like, "Hey Marc! Good to see you! What's in your bag? Anything new?"

It makes me smile. :)

For more than ten years now, I have been doing a presentation that is titled The Mobile CPA, but features a very popular segment, called "What's in my Bag?"

Everything I share in these presentations has to meet a few basic requirements:

Available now.

I wanted it to be about practical technology that you could get NOW, not fanciful gadgets that are interesting but not worth carrying around or that might never end up getting released for sale. On occasion, I do point out some of the things that are coming down the pipe, but that is as much for planning purposes as anything. No one wants to buy something and find out a new version is coming out a few weeks later.

Weight counts!

When I started doing this, I struggled to find the best gear for travelers – it had to be flexible and durable, but most importantly it had to be light enough to make it worth carrying across the country and back several dozen times.

Technology should be an enabler.

I wanted to respond to the people who were frustrated with their technology solutions being problematic or burdensome. I truly believe that technology can overwhelm us if we let it, but when applied properly it can open up a whole new world of opportunities.

There are other reasons, of course. I am a Gadget Junkie. I might have both a Bag Addiction (it's hard to find the perfect computer bag for every scenario!), and I've got a known Kickstarter Problem (I'd rather spend money on the items I wish people would make than settle for something that is almost right).

I recently gave an updated presentation of [The Mobile CPA / What's in my Bag](#) at the AICPA Engage conference in Las Vegas. Some of the most popular items from this year's session include:

[Ottim Apple Watch Charger.](#)

A longtime staple in my bag, this portable charger includes a battery bank for charging an Apple Watch on the go! Great for a night when your watch didn't charge, or long travel days when your battery is getting low, and you still have miles to go! It connects with a standard mini-USB cable, so no need to bring the proprietary charging cable with you on the road.



[Bagsmart Electronic Organizer.](#)

I have a LOT of cables. Part of my job requires that I can connect to nearly anything, and I tend to be the guy that people ask for those extra cables when they forgot theirs. I also switch bags a fair amount. So keeping everything together and easily transferable between setups is critical for me. I

looked at some nice expensive leather options for cable organizers but ultimately went with the extremely practical Bagsmart option. It has plenty of spots for cables, and I especially like the mesh zipper pocket that keeps all of the really small stuff organized too.



[Powerbeats Pro.](#)

One of the things I really appreciate is when a single gadget can replace several others, and the Powerbeats Pro solve that issue for me! I loved the ease of use and portability of the Apple AirPods, but they didn't fit me very well, and I had to use Earhoox with them. They are also rated for heavy workouts, and I like to run when I am on the road, so I was carrying an extra pair of headphones just for exercise. Now the Powerbeats Pro is my one and only for travel, exercise and even Video Conferencing! The case is huge and unwieldy, but with a nine-hour battery life and the "5 Minute Fast Fuel" option that gives



another 1.5 hours for every five charging, I am content to leave the case in my bag. It's also nice that they have physical controls on them to adjust the volume or answer/end phone calls from either side.

Airfly Connect.

You love your truly wireless headphones, but what's the major drawback for a road warrior? You guessed it: the seatback entertainment system is wired only. With the Airfly, you plug it in, click one button and you can use your own headset! It has an eight-hour battery life, but can also charge directly from the entertainment system. If your kids (or



you!) have a Nintendo Switch, this works great with it too!

Some new items I've been playing with since then:

Rocketbook Everlast, Executive Size.

Rocketbooks have been around for a while, but they were limited in how many times you could reuse them. Now they've got a new level! The software is excellent and integrates with many cloud storage systems or can go directly to email. This has become one of my favorite ways to take running notes throughout the day, and digitizing them means I always have



access to them and can easily share them with others as needed. Gone is the need to microwave the book (hard to do on the road sometimes), and a simple damp cloth can wipe your pages and make them look like new again.

Continued on page 9

HOME LOANS FROM AMERICAN SAVINGS BANK



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TAX FOUNDATION OF HAWAII

Hawaii's Watchdog on Taxes & Government

By Tom Yamachika

Withholding, the Root of All Evil?



Withholding is making someone who isn't liable for tax, but who pays money to someone who is, responsible for collecting and paying the tax to the government. Employers, for example, must withhold federal and state income taxes out of wages paid to their employees.

The government also makes the buyer withhold taxes on big property sales. The federal government requires withholding when property is sold by a foreigner. Our state government also requires withholding when property is sold by a nonresident.

This year, we took withholding one step further by enacting Act 232, a law that requires partnerships, estates, and trusts to withhold on income distributed to non-residents. That law went into effect at the beginning of this year, but the Department of Taxation has come out with Announcement 2019-08 saying that they won't be ready to enforce that law until the beginning of next year.

Interestingly, the law does not apply to "publicly traded partnerships," which are partnerships with so many partners that their partnership interests can be bought and sold on a stock exchange just like shares of stock. Under federal law, these partnerships are treated the same as corporations. The PTPs complained in testimony that it's such a bother to make them withhold:

[T]he requirement to withhold tax on behalf of nonresidents would be an extremely burdensome requirement for PTPs. Federal law does require brokers to report to PTPs specific ownership information on units held in street name, including name and address. However, this information is provided only once a year. . . .

In other words, enough information goes to the PTPs so that they can send out federal Forms 1099-DIV to their unit holders so they can include that information in their respective federal tax returns. In the same testimony, furthermore, the PTPs offered to file an annual information return reporting name, address, taxpayer ID number, and income sourced to the state for each unit holder. That offer got written into the law. So, the PTPs can send out information returns to everyone but it's too much humbug to cut the State a check? Forgive me for laughing.

There was one more bill to require withholding – the so-called "AirBnB Bill," which was vetoed. The bill would have required transient vacation rental platforms such as AirBnB, HomeAway, and Flipkey to withhold general excise and transient accommodations taxes on transient vacation rental units booked through those platforms. Tax compliance is the responsibility of the unit owners, but not everyone knows about or pays the taxes, so withholding would increase compliance.

The Governor's veto message says, "While requiring the hosting platforms to collect

and pay the taxes on illegal transient accommodation uses would not legalize these operations, there is concern that it could be viewed as legitimizing these operations." This message sounds like he is trying to talk out of both sides of his mouth.

Withholding has nothing to do with legitimizing illegal activity. If business is being conducted, tax is owed and should be collected whether the business is legal or not. Remember, the tax laws didn't legitimize Al Capone's activity; instead, they put him behind bars.

Rather, the real issue seemed to be that the county passed zoning laws but wasn't enforcing them, and the prospect of State withholding seemed to be a convenient way for the counties to put the issue on the State's back. But, counties, how about this for a solution? Find advertisements for illegal vacation rentals, confirm by online search that they aren't registered for tax, and then rat them out to the State Tax Office! Then you can use your people to enforce your laws against other illegal rentals.

Tom Yamachika is President of the Tax Foundation of Hawaii - the 'watchdog' that keeps an eye on Hawaii's taxes. Tom is also the owner of Aloha State Tax, a small law firm with emphasis on State taxes. Prior to going solo and the TFH, Tom was a principal with Accuity LLP where he managed the tax consulting practice, including quality and risk management and practice development.

Continued from page 7



Innergie USB-C Charger.

Sadly, I have to look for a replacement for my long-time computer charger, The Dart as they seem to have closed up shop. Frankly, this item is just “ok,” and makes the grade for right now. I miss having the additional USB charging port, and the foldable plug looked like a nice feature upgrade, but it is too sticky to extend and too loose when it plugs in. It’s more bothersome than helpful as a feature.

Along with that, we finally made a dream of mine come true! We launched The Mobile CPA website! All of the products that were new this year were included with pictures and links to purchase them. This is going to be a big timesaver for me and the people I run into! Now instead of having to email a recap of our conversation, I can point them to the website! boomer.com/mobile-cpa

As I mentioned above, checking out the latest and greatest travel gadgets is a passion of mine, and I hope that some of these items will make your own travels more enjoyable.

Want to see everything that’s in my bag?

Interested in my latest and greatest finds to make your travel easier? Visit the Mo-

bile CPA website at boomer.com/mobile-cpa! If you have or know of a product that I should check out and think is worth including in my bag, please don’t hesitate to say hello in an airport or at a conference!

You can also email me at MobileCPA@Boomer.com

Marc Staut, Chief Innovation & Information Officer at Boomer Consulting, Inc., helps meet the growing needs of CPA firms by leveraging his experience to provide strategic technology assessments, planning, visioning and coaching. He feels that “technology should be an enabler – something that’s approachable, aligned with and integral to the success of each firm.” Marc is a regular speaker, author and panelist on technology in the accounting profession, cloud computing, mobile technology, leadership and vision.



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*** MEMBER ADVISORY ***

AVOID A RICO* INVESTIGATION...KNOW THE LAW!

CPAs are known for “doing the right thing” and the following information is provided to HSCPA members whose core values are to uphold the legacy and integrity of the accounting profession.

HAWAII'S LICENSING STRUCTURE

- Individual CPA License Renewal – Requires 4 hours of Ethics CPE within the two-year biennium. With only a license, you cannot hold yourself out as a CPA or use the CPA designation unless you indicate that you are “not in public practice”.
- Individual Permit to Practice – Requires 80 hours of CPE within the two-year biennium. Allows you to hold yourself out as a CPA and use the CPA designation. Must be affiliated with a FIRM that has a Permit to Practice. (If you are a sole practitioner, you are a one-person firm; you need a Firm Permit to Practice in addition to your individual Permit to Practice.)
- Firm Permit to Practice – Required for firms, including one-person firms (sole proprietors).

ETHICS CPE

Do Hawaii CPAs need Ethics CPE for license and Permit to Practice (PTP) renewals?

Yes. Even if you are renewing your license only, you will need four (4) hours of Ethics CPE. For those renewing both license and PTP, the four (4) hours of Ethics CPE can be part of the 80 hours required for CPE. Be prepared and register for an Ethics course now. Next reporting: License and PTP renewals by December 31, 2019. Firm PTP renewals will require peer review reporting, if applicable.

USING THE “CPA” DESIGNATION

Can I use “CPA” after my name with a license but without a PTP?

Yes – but you must make it clear that you are NOT engaged in the practice of public accounting (e.g., by indicating “not in public practice”).

Some CPAs prepare tax returns, some of them do audits of financial statements, some of them do financial planning, some of them do

business consulting, and some of them hold management positions in industry. There are CPAs in government, CPAs who teach, and CPAs who do other things that may not even be related to accounting. Nothing in the law says that you must be engaged in the public practice of accounting to call yourself a CPA.

The law in Hawaii says that it is a prohibited act to use the title Certified Public Accountant or the abbreviation “CPA” unless you hold both a CPA license and a Permit to Practice, subject to certain exceptions.

The way to indicate that you are not holding yourself out to be in the practice of public accountancy, according to Administrative Rule 16-71-9, is to add the words “not in public practice” following the title CPA. Thus, assuming that you do have a current, valid CPA license, you may use the title Certified Public Accountant or the designation CPA if you follow it with the words “not in public practice”.

If your CPA license has lapsed, then it is clearly a prohibited act to use the CPA title, even with the words “not in public practice” added. To fit within the exception, you must have a current CPA license.

It is not a violation to make a statement that is clearly historical rather than current, such as “I was a CPA for 30 years before I retired.” That type of statement is not a violation because it does not imply that you are a CPA now. However, any statement that suggests or implies that you are currently a CPA should clearly indicate that you are not in public practice – and only if you have a current, valid license.

Of course, the other alternative is to maintain a current Permit to Practice. If you have both a CPA license and a permit to practice, then no disclaimer is required.

To initially obtain your CPA license, you had to satisfy the applicable standards regarding Education and Experience, and pass an Examination. You have good reasons to be proud of that achievement, and if you follow the rules, it's appropriate to let people know about it. You are a CPA – the fact that you left public practice doesn't change that.

Having CPAs in important positions in government, industry, and academia is good for the profession and good for society. If your CPA background helps you do your job, that proves the value of the CPA profession. Identifying yourself as a CPA and showing pride in the profession is a plus for all of us.

Don't become a victim of a RICO investigation! Know the law and comply. If you have any questions, feel free to contact the Hawaii Board of Public Accountancy at (808) 586-2696, e-mail: accountancy@dcca.hawaii.gov.

This advisory is intended as general information, and not legal advice for any specific individual situation. If you need or want legal advice, you should consult an attorney.

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What Are You Missing With Office 365?

September 19



Many businesses are utilizing Office 365, Microsoft's subscription-based combination of desktop applications and Cloud-based services. However, most of these businesses are not receiving the ROI they anticipated when they subscribed to the service. If your organization is using Office 365, you should be asking the question *"What are we missing with Office 365"*.

Some of the common "misses" with Office 365 include:

- Not taking full advantage of the security options and features in Office 365.
- Failing to manage the update cycles for desktop apps such as Excel, Outlook, and Word.
- Missing out on new features in desktop apps such as the improvements that have appeared in Power Query over the past two years.
- Not utilizing the collaboration tools provided by Office 365.
- Failing to implement Teams and other apps available in many Office 365 subscriptions.

To help you realize the full potential of Office 365, the team at K2 Enterprises has put together an 8-hour continuing education course entitled **"K2's Microsoft Office 365 – All The Things You Need To Know"** and Tommy Stephens – one of the partners at K2 – will be leading that course in Honolulu on **September 19**. In this seminar, you will learn how you can maximize your return on investment in Office 365. Key topics covered in the seminar include:

- Implement tools and techniques for securing your Office 365 implementations.
- List key apps that can improve collaboration and productivity.
- Work with Excel's Power Query feature.
- Identify opportunities to utilize SharePoint Online to improve team efficiency.
- Utilize apps such as Teams and Skype for Business to communicate more effectively with others.

If you are running Office 365 – or considering migrating to this tool – you can't afford to miss this opportunity to maximize your investment on Office 365!

K2's Excel - Advanced Reporting and Workbook Testing and Auditing Techniques

September 20



Accounting and financial professionals use Excel extensively for reporting purposes. Unfortunately, many of the workbooks created for financial and reporting applications contain errors or take far too long to create and/or update.

To assist you with you Excel workbooks, the team at K2 Enterprises has put together a special program for the Hawaii Society of CPAs entitled **"K2's Excel – Advanced Reporting and Workbook Testing and Auditing Techniques."** In this seminar, you will learn the best practices for creating your financial and operational reports in Excel. The techniques that you learn will truly revolutionize your reporting processes and procedures. Further, you will learn how you can test and audit workbooks to identify potential errors. In addition, you will learn the five best practices for creating Excel workbooks, helping to ensure that your workbooks are accurate and created using the most efficient means possible.

K2's Excel – Advanced Reporting and Workbook Testing and Auditing Techniques will be held in Honolulu on **September 20** and will be led by Tommy Stephens, one of the partners at K2 Enterprises. Please make plans now to join us for this very special seminar!



**HSCPA
CPE**

Upcoming Events

September 19

Microsoft Office 365 – All the Things You Need to Know

Isn't time you learned how to move beyond the traditional Office 365 applications such as Excel, Word, and Outlook and unleash all the Office 365 has to offer? Join us in this fast-paced and highly interactive seminar where you will learn the things you need to know to be truly successful with Office 365.

[CLICK HERE FOR MORE INFO](#)

September 20

Advanced Reporting & Workbook Testing and Auditing Techniques

Learn best practices for creating your reports the right way in Excel; moreover, you will learn how you can test and audit workbooks to uncover issues that may be affecting the accuracy of the reports.

[CLICK HERE FOR MORE INFO](#)

September 26

Financial Acumen for Nonprofits

Nonprofits are being pushed to do more with less and typically do not utilize their financial reports as marketing tools to their fullest extent. This full day course will cover all aspects of financial reporting for nonprofits.

[CLICK HERE FOR MORE INFO](#)

September 27

The Form 990 Schedules Under the Microscope

Acquire a "big picture" understanding of each of the 16 different Form 990 Schedules. We'll also take a deep dive into some of the more commonly required Schedules, such as Schedule A, Schedule B, Schedule F, Schedule G, Schedule I, Schedule J, Schedule O and Schedule R. Learn about the most prominent IRS audit "red flags" contained on the various Form 990 Schedules

[CLICK HERE FOR MORE INFO](#)

October 3

Professional Ethics for Hawaii CPAs

It's a reporting year and you'll need the 4-hour credits to renew your license! 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.

[CLICK HERE FOR MORE INFO](#)

October 3

Happy 87th Anniversary, HSCPA!

"Come Together"
Reception for Members Only
Registration Required

HOOP News

By Walter Matsuno

FINALLY!! CPAA Wins One 2019 A Division Basketball Champions

After 13 seasons of frustration and “Bridesmaidship”, CPAA finally won one with a win over KMH LLP [KMH] 48-40 to claim the 2019 A Division Championship. Unfortunately for KMH, they were without their “3-Point Sharpshooter” Jessica Hanashiro, who wasn’t able to make the championship game as she had to return to school. Nevertheless, KMH played their hearts out but CPAA’s hardened playoff experience and resolve to win their first A Division Championship was too much to overcome.

The B Division Championship game was won by W.T. Matsuno, CPA, Inc., [WTMco] over the fast-closing team from KPMG LLP [KPMG] by the score of 60-51. WTMco trailed by double digits in the early minutes of the game as KPMG’s 3-point shooters were scoring big. But then, as the game wore on, KPMG’s hot shooting cooled and WTMco was finally able to get the lead with the game clock winding down to preserve the win.

The Consolation Division title was won by the resurgent Accuity LLP [Accuity] team over CW Associates [CWA] 38-35. After winning only 2 games in the past 5 seasons, Accuity “Exploded” with 4 wins in this 2019 season.

The final standings were as follows:

1. CPAA
2. KMH LLP
3. Red Ink
4. Deloitte & Touche LLP
5. W. T. Matsuno, CPA, Inc.
6. KPMG LLP
7. Accuity LLP
8. CW Associates
9. KKDLY LLC

Those interested in joining the 2020 HSCPA Basketball League can contact Walt Matsuno at 951-8899 or via e-mail at walter@matsunocpa.com. The league fees range between \$400-\$575, depending on the number of teams entering and gym availability. Hope to see you there!



1st Place - A Division >> CPAA (Names Left to Right)

Karl Van Zandt, Al Miller, Kyle Chang, DongHyun Kim
Dominic Souza, Russel Mendez, Clay O'Neill, Dean Kusunoki



2nd Place - A Division >> KMH LLP (Names Left to Right)

Derric Braziel, Marlon Cudiamat, David Van Acker, Kenyon Tam,
Mike Sakazaki, Darin Shigeta, Lane Suzuki, Chad Ohira
Not Pictured: Jeff Yamashiro, Jessica Hanashiro, Jaren Adams



1st Place - B Division >> W.T. Matsuno, CPA, Inc

(Names Left to Right)

Back Row: Ryan Woodward, Casey Ching,
Andrew Imamura, David Tang

Front Row: Walt Matsuno, Micah Tang,
Kekoa Taliaferro, Archie Eusebio

Not Pictured: Jake Harris, Kimo Tuyay



Norman's Book Review

“Start With Why”

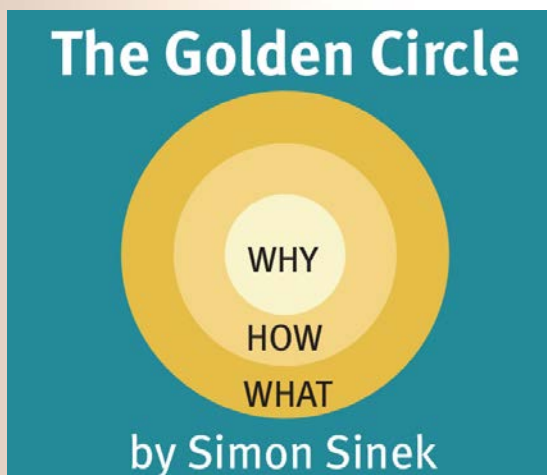
by Simon Sinek

I had the good fortune of attending this year's AICPA Engage Conference in Las Vegas and one of the conference highlights was listening to Simon Sinek speak. Simon is a British-American author and sought-after motivational speaker and organizational consultant. He has authored five books so far, with this being his first book.

After I finished his book, I just had one word to say, “WOW!” I have this reaction whenever I read a book I think has timeless advice and can help many of us live a better and more meaningful life. The following are some of my favorite takeaways and quotes from the book. If you don't have time to read the book, [click on this link](#) to view his TED talk on “How Great Leaders Inspire Action.” It has been viewed over 46 million times.

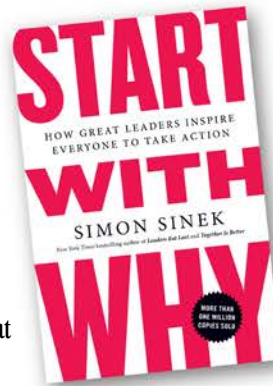
The Golden Circle

Based on his research, the author believes “all inspirational leaders think, act and communicate exactly the same way by following a naturally occurring pattern that he calls The Golden Circle. These leaders start from the inside out, from WHY they do what they do (clarity), HOW they do things (discipline), and finally WHAT they do (consistency). When the Golden Circle is in balance – there is trust, achievement and success.”



Start With Why

“Why does your company exist? Why do you get out of bed every morning? Why should anyone care? Why do you do what you do? Why should people be loyal to you? Why do customers really buy from one company and not another?” Why should customers retain you and not another CPA?



If you are or have been successful, you probably have a strong sense of why you do what you do. If you are just starting your career or at a career crossroad, the author strongly suggests you think hard about your WHY.

The following are the WHYs of some of the most successful companies.

“Apple – Challenge the status quo

industries and old-fashioned business models.

Southwest Airlines – Champion for the common man.

Microsoft – Empower the “everyman.”

Starbucks – Comfortable environment between work and home.”

Per the author, “regardless of WHAT we do in our lives, our WHY – our driving purpose, cause or belief – never changes.”

The Single Greatest Challenge of Any Organization ... Success

The author has found as an organization grows, its WHY and WHAT are closely aligned. However, as it becomes more successful, the clarity of its WHY becomes murkier as more people are hired and have to be relied on, and gut decisions are replaced by empirical data and case studies. What happens is the passion and inspiration that originally started the organization and fueled its growth gradually disappear. “When the WHY goes, WHAT is all you'll have left.”

Achievement vs. Success

Most people believe achievement and success are essentially the same thing. However, the author points out that they are not the

same. “Achievement is something you reach or attain, like a goal. It is something tangible, clearly defined and measurable. Success, in contrast, is a feeling or a state of being. Success comes when you are clear in pursuit of WHY you want it.”

That’s why many people who achieve their financial goals do not feel they are truly successful.

“Mud Rolls Down A Hill”

If a company is struggling, the odds are the company is not treating its employees very well. “And if a company is mistreating its people, just watch how the employees treat their customers. Mud rolls down a hill, and if you’re the one standing at the bottom, you get hit with the full brunt, which is usually the customer.”

Comparing the WHY of Apple vs. Microsoft

I have always been an android phone and PC user. Periodically some of my friends who are devout Apple product owners will good naturedly “harass” me about not being “with it” and being behind the times. So it made me smile when the author compared the WHY of Apple vs. Microsoft. “Apple always liked to challenge the tradition of how things are done, while Microsoft likes to take technology to the masses. Apple likes to ignite revolutions while Microsoft takes ideas to the mass market. Steve Jobs has always been about challenge, while Bill Gates has always been about getting to the most people.”

Good Successions Keep the WHY Alive

Many CPA firms and organizations in general are dealing with succession planning and making the change as seamless as possible. The landscape is full of both successful and terrible changes in CEO and senior management successions.

The author states “successful succession is more than selecting someone with an appropriate skill set – it’s about finding someone who is in lockstep with the original cause around which the company was founded. Great second or third CEOs don’t take the helm to implement their own vision of the future; they pick up the original banner and lead the company into the next generation. That’s why it’s called succession, not replacement. There is a continuity of vision.”

Simon Sinek’s WHY

After temporarily losing his life perspective, Simon became obsessed with the concept of WHY and determining what his WHY in life was. After much introspection, he figured out his life purpose is “to inspire people to do the things that inspired them, so that, together, we can change the world.” He has devoted his life to accomplishing his WHY. As a result, when faced with the decision of patenting his work or giving it away, he stated, “if I am to be authentic to my cause there is only one decision to make – give it away, talk about it, and to share it.”

Notable Quotes in the Book

“If I had asked people what they wanted, they would have said a faster horse.”

(Henry Ford, Ford Motor Company founder)

“If you think you can or you think you can’t, you’re right.”

(Henry Ford, Ford Motor Company founder)

“Happy employees ensure happy customers, and happy customers ensure happy shareholders – in that order.”

(Herb Kelleher, former Southwest Airlines CEO)

“You don’t hire for skills, you hire for attitude. You can always teach skills.”

(Herb Kelleher, former Southwest Airlines CEO)

“We’re all working together; that’s the secret.”

(Sam Walton, Wal-Mart founder)

“Celebrate your successes, find some humor in your failures, don’t take yourself so seriously, and loosen up and everybody around you will loosen up.”

(Sam Walton, Wal-Mart founder)

“I can make a decision with 30% of the information. Anything more than 80% is too much.”

(Colin Powell, former Secretary of State)

“I want to put a ding in the universe.”

(Steve Jobs, Apple co-founder)

CPA FIRM MICROCOMPUTER TECHNOLOGY

By Joy Takaesu of The CPA Collective



In a partnership between the Internal Revenue Service, state tax agencies and the tax industry, the Security Summit has

compiled a helpful document about data security geared toward tax professionals. Below is a summary of some of the warning signs and suspicious activity to watch out for. For more, please visit "Protect Your Clients; Protect Yourself" and click on the link for Publication 5293, Data Theft Resource Guide for Tax Professionals.

Warning signs of data theft:

- Clients' e-filed returns are rejected because returns with those Social Security numbers were already filed
- Clients who haven't filed yet receive

IRS authentication letters (5071C, 4883C, 5747C) asking them to verify their returns

- Clients who haven't filed returns receive refunds
- Clients receive tax transcripts unsolicited
- Clients receive IRS notices that their IRS online accounts were created, accessed, or disabled without their knowledge
- The number of returns filed with a tax practitioner's Electronic Filing Identification Number (EFIN) exceeds the number of clients

These warning signs may indicate that someone has used a client's personal to

data fraudulently file a return or request transcripts. If this happens, contact the IRS and law enforcement.



Ways to monitor for suspicious activity:

- Track e-file acknowledgements daily to make sure there is no unexpected activity
- Track your Electronic Filing Identification Number (EFIN) and Preparer Tax Identification Number (PTIN) accounts weekly:
- EFIN: In your e-Services account, go to your e-file application and check "EFIN Status." Double-check that the number of returns filed matches the expected number.
- PTIN: In your PTIN account, go to "View Returns Filed Per PTIN."
- If you have a Centralized Authorization File (CAF) Number, update your authorizations and remove authorizations for former clients.
- Use multi-factor authentication for your IRS online accounts (see [IRS.gov/secureaccess](https://www.irs.gov/secureaccess) for details)

If you have any questions or comments, please call me at (808) 837-2517, or send e-mail to jtakaesu@thecpacollective.com.

Would
you like a
second
opinion?

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SAVE THE DATE!
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PRINCE WAIKIKI

**BACK
TO FUTURE
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TAKE A
TRIP BACK TO
**ACCOUNTING
IN THE 70'S**





Evolution of Continuing Professional Education (CPE)

By Matt Kitamori



A CPA performing professional services is required to have a comprehensive and up-to-date set of knowledge,

skills, and abilities. How do CPAs learn and keep up-to-date? The answer is Continuing Professional Education ("CPE"). The fundamental purpose of CPE is to assist CPAs with accumulating, maintaining, and optimizing their professional competence. CPE that develop a CPA's professional competence include both technical and nontechnical knowledge.

Technical knowledge contribute to the professional competence of a CPA in ways that directly relate to the accounting profession and field of business (i.e.

auditing, tax, IT, industry specific, ethics, etc.). Non-technical knowledge contribute to the professional competence of a CPA in ways that indirectly relate to the field of business (i.e. networking, personal development, human resources, etc.).

In the past, CPE was provided through the delivery methods of self-study books and in-person lectures.

How has it changed?

The biggest change to CPE is the various delivery methods being offered to professionals such as online learning through self-study programs, webinars, and nano learning. With online learning, professionals are able to fit their CPE

around their existing responsibilities and commitments, engage with multimedia content, and learn material at any time that is most convenient to them. Online learning also offers a larger variety of studying material with a more affordable option than traditional learning methods.

An exciting outlook for CPE in the future is the expansion into augmented reality-based courses or virtual reality ("VR") learning experiences. Imagine, learning soft skills or problem solving on-the-job issues by wearing a VR headset instead of learning through an in-person lecture or webinar.

Why is CPE changing?

CPE is changing primarily due to the accounting profession and businesses progressing toward a higher usage in technology (i.e. automated services, information technology, etc.). Similar to other aspects in the world, CPE is evolving with the profession and its surroundings by not looking back and anticipating the future.

All individuals are born with the ability to use various methods of learning in order to receive and store information. Keeping this in mind, the evolution of CPE provide professionals with every opportunity and method to enhance their professional competence.

CPE 3 WAYS

CLICK BELOW TO SHOP!

HSCPA SEMINARS

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Investment Outlook:

A World of Low Taxes, Cheap Capital, and Growing Problems

September 24 (Tuesday)

12 noon to 1:00 p.m.

HSCPA - 900 Fort Street, Suite 850
(Public parking available at various downtown municipal lots)



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Ten years since the financial crisis, markets continue making new highs, taxes are low, and the world is flush with virtually unlimited and cheap capital. More good news ahead?

Neil Rose, CFA, President and Chief Investment Officer of Cadinha & Co., will talk about why stocks make sense today, but argues investors should be looking for looming crises. Eye-opening statistics and an update on his favorite investment ideas will be included.

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One (1)

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ACCOUNTING PRACTICE SALES
THE GLOBAL LEADER IN PRACTICE SALES



**September 24, 25
October 30, 31**

**8:30 a.m.
Hawaii time**

Webinar: Cybersecurity for Small Tax Firms

This program is designed specifically for small firms with simpler IT environments and outsourced IT services.

The growing risk of tax identity theft and increase in hackers targeting firms offering tax services makes it even more important for tax practitioners to revisit their cybersecurity/information security policies and procedures. Attend this non-technical seminar to obtain an understanding of the IRS's expectations of you in safeguarding your clients' data (Pub 4557) and practical tips to reduce your risk of a data breach.

Learning Objectives:

- Understand how tax practitioners are at risk for a data breach
- Understand key requirements from IRS Publication 4557: Safeguarding Taxpayer Data
- Learning practical tips to protect client and firm data

Planned date(s) / time(s):

September 25, 2019	8:30 am HST	CS-0925
October 31, 2019	8:30 am HST	CS-1031

**Member
\$69**

**Non-member
\$89**

Webinar: 8 Keys to Tax Automation

Tax season seems to be getting worse every year. Last minute changes to the tax code, delayed tax software updates, workload compression and a shortage of experienced tax professionals continue to exacerbate what is already a grueling season for many accounting firms. Client fee pressures are forcing firms to figure out how to get more productivity out of their existing staff while not burning staff out and while still maintaining a high level of staff engagement. Yet some firms have been showing strong growth and even increased work-life balance. We interviewed a variety of these firms to see if we could identify the secret to their success. Attend this webinar to learn how these firms are bucking the general trends and achieving growth and increased profitability.

Planned date(s) / time(s):

September 24, 2019	8:30 am HST	8K-0924
October 30, 2019	8:30 am HST	8K-1030



Donny C. Shimamoto, CPA.CITP, CGMA is the managing director of IntrapriseTechKnowlogies LLC, a Hawaii-based CPA firm focused on innovation enablement and risk management services for small and mid-sized businesses and nonprofits. Donny has been recognized as one of the Top 25 Thought Leaders in Public Accounting by CPA Practice Advisor and as a Top 100 Most Influential People by Accounting Today for numerous years.