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KĀLĀ

The Official Publication of the Hawaii Society of Certified Public Accountants



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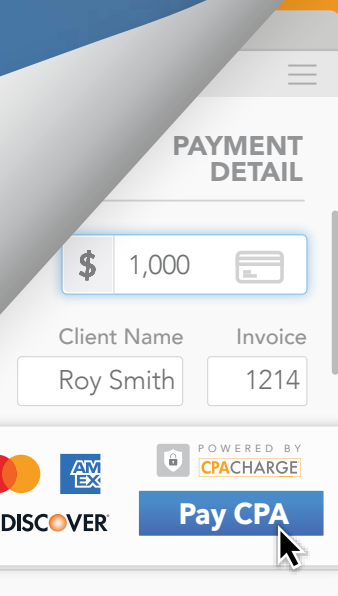
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President's Message

By Ed Nakano

Leadership and Resilience During COVID-19 Disruptions

COVID-19 has created disruption, and economic and financial challenges. The AICPA Insights article "A Shark's Advice for Building Resiliency" by Daymond John of Shark Tank provided the following valuable insights for Accounting and Finance professionals to build Leadership **RESILIENCY** and to meet these challenges:

Create an Environment to Promote Resiliency in Your Teams and Organizations

Mr. John believes that we will not get the best out of our people if they are walking on eggshells. Instead, we need to create an environment that tolerates certain failures that can be viewed as "learning experiences and teachable moments" and "not something that should be avoidable at all costs". Leaders should set the example by sharing their own failures, looking for ways to create value, trying new things, and ultimately making "lemonade out of lemons".

Why Accounting and Finance Professionals Should Try to Be Resilient

Daymond states that Accounting and Finance professionals are not like assembly line workers in the 1950's doing the same thing every day. Their jobs are dynamic and **RESILIENCE** is required for problem solving and creating better ways to take actions in this dynamic and disruptive environment.

He also advocates that **ELASTICITY**, a learned ability to bounce back, together with the following five advices, will contribute to building **RESILIENCY**:

1. Don't do things just for the money and focus on different "**WHY'S**".
2. Practice **SMALL** steps outside of your comfort zone on a regular basis.

3. Keep in mind that problems, setbacks, mistakes are "**just part of the process**".
4. "**Just keep swimming.**"
5. Don't try to do everything yourself. Bouncing back is easier with partners. This is a **TEAM** sport.

Leadership guru Glenn Furuya of Leadership Works created a Youtube video called "[Leading in Tough Times](#)" that vividly emphasized **RESILIENCE** with the following metaphors ([YouTube link](#)):

1. The **Bamboo** does not bend when placed under stress since it is strong, flexible and elastic.
2. The **Lotus Plant** has roots in the mud and a flower that submerges during the night and at dawn, emerges and reopens again as a beautiful flower.

I survived and experienced these valued advices unconsciously when I cared for my parents and aunt during their senior years and my wife while she faced health issues for over 3 decades. Besides unconsciously practicing the first four **RESILIENCY** advices recommended by Mr. John, I believe the 5th advice **TEAM** sport, contributed significantly for me to endure the challenges of caring for my family members. My employer C.S. Wo & Sons, Ltd., coworkers, uncles, aunts, in-laws and two daughters were key groups and individuals on my **TEAM** who supported and contributed to my **RESILIENCY**.

As Accounting and Finance professionals, let's all strive to be **RESILIENT**, flexible like the Bamboo, reborn every morning like the flower of the Lotus Plant and work as a **TEAM**. These insights will allow us to serve our clients, customers, coworkers and employers effectively during these disruptive conditions!

Take care and be safe.



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Maximize Your ROI on Office 365

By Thomas G. Stephens, Jr., CPA, CGMA, CITP

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". In this article, you will learn more about some of the common mistakes associated with Office 365 and how you can – and should – correct these mistakes to ensure that you maximize your ROI on your Office 365 subscription.

Five Common Office 365 Fails

Some of the common "fails" 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.

- Not using new features in desktop apps, such as the improvements that have appeared in Excel's 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.

Addressing the five items outlined above will go a long way toward ensuring that you and your team are taking full advantage of Office 365. Following are recommendations on how you can remedy each of these shortcomings and maximize your ROI on Office 365.

Securing Office 365

Perhaps no issue is more important than ensuring that your Office 365 implementation adequately and appropriately

secures your data. Yet the evidence is overwhelming that most organizations fail to address this issue properly. Fortunately, Office 365 provides many relatively easy-to-use tools to address security issues. Perhaps none is better than the Secure Score feature. Secure Score analyzes your Office 365 implementation and provides a relative rating of how secure the implementation is. Equally important, Secure Score also provides an action plan of specific steps you can take to improve your rating. By taking the steps recommended by Secure Score, you can quickly and easily improve the security of your Office 365 implementation. You can access Secure Score by visiting <https://securescore.office.com>.

According to Microsoft, the average Secure Score is a paltry 37 out of 697!

Managing Office 365 Updates

As you are likely aware, Microsoft periodically updates the features in your Office desktop applications. Presently, there three primary update channels: Monthly Channel, Semi-Annual Channel, and Semi-Annual Channel (Targeted). Not surprisingly, those users who are in the Monthly Channel receive their feature updates monthly. Those who are in the Semi-Annual Channel receive their feature updates twice a year – in January and July. Subscribers who are enrolled in the Semi-Annual Channel (Targeted) also receive their feature updates twice a year, but they receive theirs in March

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and September, three months after users in the Semi-Annual Channel. In addition, some users can subscribe to a fourth option – the Monthly Channel (Targeted); users in this channel get new features on a “preview” basis prior to those users in the Monthly Channel.

Why are these update channels important? Let's suppose that you have users enrolled in each of the four options mentioned above. If that's the case, it is likely that within the same company you will have users with different features available to them, potentially causing file errors. For example, one user may create an Excel workbook that takes advantage of a function not yet available to other users. Of course, when other users open the workbook, they will likely see an error message in the cell(s) where the new function resides. For this reason, you should manage the update channels for all users to minimize disruption when new features are added, while simultaneously ensuring that enough users have access to the leading-edge features to facilitate testing. You can learn more about the update process and how to manage it by clicking here.

Using New Features

Speaking of new features, how are your team members supposed to know what new features they have available to them? This is an extremely important consideration! If they do not know what new features are present, how can they take advantage of them? And, if they are not taking advantage of the new features, then how can your organization maximize its ROI associated with Office 365?

Many different websites and blog posts call attention to new features added to Office 365. One of the best resources that we have found is a Microsoft website you can access by clicking here. Not only does this site provide you with a listing of new features on a version-by-version basis, it also provides some learning resources to help you get started using these new features. If you are a bit more

technologically-inclined, you might find a separate Microsoft site to be more useful. This site provides more details about each release, including not only the new features that were added, but also important support information.

Collaborating More Efficiently

Unfortunately, many Office 365 subscribers continue to use the apps and services available in their subscriptions in “traditional” ways, failing to see what new options exist. Consider, for example, the collaboration options available in Office 365. At a fundamental level, one collaboration option is to email links to Office 365 documents such as a PowerPoint presentation, instead of emailing a copy of the document. When recipients receive the link, they can edit the single instance of the document by simply clicking on the link. By using this feature, you can reduce the number of copies of the same file that oftentimes “float” around your organization.

Similarly, you can improve collaboration by using Office 365's co-authoring experience. With co-authoring, multiple team members can edit the same document simultaneously. So, for example, you could share an Excel workbook that you stored in SharePoint Online or OneDrive for Business with other Office 365 users and each of these other users could edit that workbook simultaneously. This is a much more stable and efficient process than the legacy “Shared Workbook” feature in Excel and sets the stage for significantly improved results in far less time.

Implementing Teams and Other Office 365 Apps and Services

For most subscribers, Office 365 is much more than just Office desktop applications and hosted email in Exchange Online. Many, many other tools are available in most Office 365 subscriptions that can significantly increase individual or organizational productivity and efficiency. For example, consider the following options.

- The Teams feature sets a new standard for collaboration and communication, not only amongst internal users, but external users also.
- With Bookings, you can allow clients and customers to self-schedule appointments and meetings with you and other service providers within your organization.
- Stream provides a private “YouTube-like” experience for sharing videos internally within an organization.
- You can use Planner to manage projects and assign tasks to other team members.
- Yammer provides enterprise-wide social networking tools.
- If you are seeking an alternative to PowerPoint, consider the Sway presentation app available through Office 365.
- Flow offers the opportunity to create and apply automated workflows to specific tasks, improving efficiency and internal control.

Summary

Office 365 provides organizations of all sizes with tremendous opportunities for improved efficiency and security. Yet most organizations are not taking full advantage of their Office 365 subscriptions. By addressing the five issues outlined above, you can go a long way toward ensuring that you and your team are maximizing your ROI on Office 365.

Tommy is one of the shareholders in K2 Enterprises, affiliating with the firm in 2003 and joining as a shareholder in 2007. At K2, Tommy focuses on creating and delivering content and is responsible for many of the Firm's management and marketing functions. Tommy resides in the metro Atlanta area. You may reach him at tommy@k2e.com and you may learn more about K2 Enterprises at www.k2e.com.



Now Is the Time for Innovation

By Marc Staut of Boomer Consulting, Inc.

How many virtual conferences have you attended in the past few months? For most people in our profession, Summer and early Fall are conference season. But the pandemic has made traveling around the country for conferences less compelling. As a result, many organizers have moved their events online.

I've attended my share of virtual conferences and events this year, and it's clear that some organizers are swinging for the fences while others are content with base hits. Of course, there are times when base hits are exactly what's needed. But whether you're planning your own event or just looking for new ways to deliver services to your clients, I believe now is the time to be innovative.

4 Types of Innovation

Greg Satell's [Innovation Matrix](#) identifies four types of innovation and suggests organizations should have a portfolio of innovation strategies for different kinds of problems.

- **Sustaining innovation.** Most innovation happens here because it's about getting better at what we already do. You're improving your existing capabilities in existing markets, so you have a clear idea of the issues to be solved.
- **Breakthrough innovation.** This type of innovation is focused on problems that are well defined but incredibly difficult to solve. It often requires calling in diverse specialties and skills.
- **Disruptive innovation.** This is what

most people think of when they hear the word innovation. Think of how Uber disrupted taxi companies. In these cases, best practices like listening to your customers and investing in continuous improvement can be lethal. When technology or the marketplace shifts, it's easy to get better at things people want less.

- **Basic research.** This results in the essential building blocks of innovation to come. It might not have a lot of practical application now but will play an essential role in the technologies, processes and systems of the future.

While most firms are aiming for sustaining innovation, I believe firms need to focus more on breakthrough innovation and even basic research.

Even after the pandemic ends, many events will continue to be virtual, and firms will deliver engagements remotely. The ones that are doing the same thing as everyone else won't be sustainable. The ones that challenge "best practices" and take chances with new technologies will differentiate themselves from the competition.

Innovators and Laggards

The Rogers Adoption curve is a model that classifies adopters of innovations into five categories, based on the idea that certain individuals are more open to adaptation than others.

- **Innovators.** Roughly 2.5% of the user base for a new product or service are innovators. They're the first to adopt something because they like

experimenting with new toys.

- **Early adopters.** Around 13.5% of the user base are early adopters. They also invest early in new technologies because they're curious about how to apply it to their lives or work.
- **Early majority.** Just over one-third of users (34%) are part of the early majority. They're happy to wait until the technical standards have materialized under the influence of early adopters. They like to make sure there are solid agreements about what and how we do things.
- **Late majority.** Another third of users (34%) are part of the late majority. They're more risk-averse than the early majority and prefer to wait until new products and services have been further designed and developed to be more user-friendly for the mass market.
- **Laggards.** Finally, roughly 16% of users are laggards. They're technology averse and resistant to change. If they invest in technology at all, it's because the tech has become so pervasive that they almost have no choice.

I believe most firm leaders fall into the early majority or late majority buckets. They're willing to try new technologies, but like to see other firms go first so the innovators and early adopters can shoulder the responsibility for experimenting and working out the kinks.

The problem with waiting is that you need new tools for working with your clients now – not a year from now once other firms have tested the daylights of them.

Unleashing Innovation

At Boomer Consulting, we're not just talking about innovation. We're actually doing it.

One of our largest events of the year is the [Boomer Technology Circles Summit](#). This event brings together firm management professionals, IT professionals, Lean Six Sigma leaders, and solution providers from around the country for a mixture of networking, keynotes, panels, and large and small group discussions.

We've been holding many of our smaller Circle meetings over Zoom, and we could have adapted the Summit to fit the Zoom platform. But we didn't want to go for a base hit. We wanted to swing for the fences and try out a new platform that could more closely replicate the experience of being at the event in person. After considering several different solutions, we selected [VirBELA](#). It provides a virtual expo hall, breakout rooms, an auditorium, and features allowed for everything from keynote presentations to small group discussions and one-on-one conversations.

Was it perfect? No. But our members and sponsors understood that we were using a new platform in strange times. We rolled with the occasional hiccup and had fun experimenting with our avatars in the virtual world. Just check out the [#BTCSummit2020](#) hashtag on Twitter for proof.

Create an Innovation Advancement Committee

So how can you unleash innovation in your firm? Consider creating an Innovation Advancement Committee. This is a

cross-functional group that is focused on supplying input for the firm's overall innovation strategy and program.

When selecting people for your Innovation Advancement Committee, look for people who:

- Are out-of-the-box thinkers and willing to change the status quo
- Are multi-disciplinary
- Have client-facing roles at the manager, director, and partner level
- Have at least 10 years of career "runway" ahead of them

Empower your team to take considered risks when coming up with new ideas or solutions to existing problems. Don't just look for solutions that take what you're doing virtual, but ones that question current assumptions.

Don't just think about now. Think about what comes next and look for better ways of doing things. Remember that success requires experimentation and even failure. Empower people to take risks. If you're happy with base hits, that's exactly what you'll get. But if you swing for the fences, you just might create something amazing for your firm and your clients.

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."

Hawaii Society of CPAs Joins AICPA, COST in Letter Urging Congressional Support for State Tax Filing Relief for Remote Workers

The Hawaii Society of CPAs has joined more than 120 employers and organizations across the nation in signing a letter to Congressional leaders urging them to support state tax filing and withholding relief for remote workers during the pandemic by enacting Section 403 of S.4318, the American Workers, Families and Employers Assistance Act, and a related measure, S.3995, the Remote and Mobile Worker Relief Act.

The accounting profession has been consistent in its support of state tax filing relief for remote workers, working with the Council on State Taxation and others to advocate for its inclusion in federal legislation.

"This legislation is an integral step in simplifying and removing unnecessary obstacles to administering the broader tax system," said AICPA Vice President of Taxation, Edward Karl, CPA, CGMA. "Employees and employers are asking Congress for their help, and we strongly urge them to enact this important legislation. AICPA has long advocated for this relief and supported Senators Thune's and Brown's efforts earlier this year for a consistent and uniform de minimis rule for non-residents' state taxation and withholding."

With an unprecedented number of workers working remotely, now more than ever it is necessary to adapt to our current economic reality. HSCPA believes that this legislation is critical to the fiscal health of Hawaii, our businesses and our taxpayers and we are asking Congress to provide the relief our country needs.

HSCPA 60th Annual Conference Evolving in a Whole New World



The COVID-19 pandemic forced us to adapt quickly and embrace technology. We've all had to reshape the way we work, communicate, shop, and continue some sort of 'normal' business. Amid the crisis, we remain vigilant and care for family and co-workers, and continue learning.

Join us virtually at the 60th Annual Conference as we welcome Tracey Golden, Chair of the American Institute of CPAs. Fueled by rapid technological innovation, the world is changing at constant speed – with significant implications for the accounting profession. Cybersecurity, blockchain, artificial intelligence and cognitive technologies all have the potential to transform our work. Tracey will provide the latest developments in the professional as ... Change Is Happening!

A special treat for Hawaii, IRS Commissioner Chuck Rettig will discuss the many challenges we all faced during the past six months. The Commissioner will update us on the 2020 filing season; the impact of COVID-19 on future IRS operations; the CARES Act; the Taxpayer First Act; update on compliance and enforcement; and how we move forward together! Chuck is also a "proud Associate member of the HSCPA" – we are too, Chuck!

Through a hazy crystal ball, we may be able to see some light! Recognized scholar, community leader, educator and public policy spokesman, Dr. Keli'i Akina will share insights on a balanced approach to reopening Hawaii's economy as COVID-19 continues to threaten our largest industry – tourism. With our economic pulse index significantly dropping, how do we move ahead?

Retired Judge and HPU assistant professor Randal Lee will share his experiences dealing with public corruption cases in Hawaii. It's an unprecedented time and a wake-up call for Hawaii as the number of federal investigations into alleged corruption at Hawaii's public institutions made history. From the Kealoha case to Union embezzlements to money laundering to the Kahapea/Ewa Villages scandal . . . remember that? Don't miss this intriguing presentation!

Register Now!

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Featured Speakers

(In order of appearance)



Tracey Golden, CPA, CGMA is the current Chair of the American Institute of CPAs and Association of International Certified Professional Accountants. An audit partner with Deloitte, Tracey has responsibility for facilitating and coordinating

reputation and risk related initiatives and matters. She collaborates with member firm leadership to proactively identify emerging risk matters and monitor and facilitate managing existing risks in the Americas region. In addition, she is an Engagement Quality Control Reviewer for a financial services industry client. Tracey also serves as a consultation resource for many insurance client engagement teams. She has extensive experience in inspection-related activities and has served as the leader of Deloitte's internal and external inspections team and audit quality initiatives leader.

Tracey has held a number of volunteer leadership positions at the AICPA, having previously served as a member of the Board of Directors and governing Council, as well as Chair of both the Audit and Finance committee and Peer Review Board. In addition, she has served as the Board Liaison to the AICPA Foundation Board of Trustees and a member of the Relations with the Bar and National Peer Review committees, among other volunteer positions.



Charles "Chuck" Rettig, is the 49th Commissioner of the IRS. He presides over the nation's tax system, which collects approximately \$3.4 trillion in tax revenue each year. This revenue funds most government operations and public services. Chuck

manages an agency of about 80,000 employees and a budget of approximately \$11 billion. In leading the IRS, Mr. Rettig is focused on improving service to the nation's taxpayers, balancing appropriate enforcement of the nation's tax laws while respecting taxpayer rights. Previously, Chuck was with the law firm of Hochman, Salkin, Rettig, Toscher & Perez, P.C., for more than 36 years. In his practice, he represented thousands of individuals, businesses and corporate taxpayers before the IRS, the Department of Justice Tax Division, federal and state courts and state taxing authorities. These cases involved civil examinations and appeals, criminal investigations and tax collection matters.



Dr. Keli'i Akina is president and chief executive officer of the Grassroot Institute of Hawaii, a nonprofit public policy research institution dedicated to the principles of individual liberty, economic freedom and accountable government.

He also is a state public official, elected in 2016 as Trustee-at-large for the Office of Hawaiian Affairs, with 164,000 votes in the state-wide election. As a policy adviser at state and national levels, Dr. Akina is a leading defender of the Aloha Spirit, as exemplified by his famous rallying cry, "E hana kakou — Let's work together!" An expert in East-West philosophy and ethics, Dr. Akina has lectured at universities in China and the United States and has taught on the faculties of Hawaii Pacific University and the University of Hawaii. Dr. Akina is the former president and chief executive officer of Youth for Christ and founded the Center for Tomorrow's Leaders.



Circuit Court Judge (Ret.) Randal Lee is an Assistant Professor in Criminal Justice. Judge Lee received his Juris Doctor degree from Southwestern University School of Law and has been an Adjunct Professor at HPU and other colleges since 1984.

Judge Lee spent ten years on the Circuit Court bench and presided over civil, criminal and appellate cases. Prior to his appointment to the bench, Judge Lee was a Senior Deputy Prosecuting Attorney for approximately twenty-five years and had prosecuted a number of high publicized, complex white collar, and corruption cases. Judge Lee's experience includes the California Court of Appeals, the United States District Court, Los Angeles; Office of the Public Defender, State of Hawaii; and had lectured for the National Trial Advocacy Center in South Carolina and the National White Collar Crime Center in Washington, D.C. Judge Lee has received the Award of Excellence, Department of the Prosecuting Attorney, 1994 and 1995; Certificate of Merit by the Hawaii Hotel Association, 1998; Certificate of Recognition, Honolulu City Council, 2004; Hall of Fame Award, Hawaii Joint Police Association, 2005; and 2014-2015 Adjunct Faculty of the Year Award and 2015 Golden Apple Award for Adjunct Faculty of the Year, Hawaii Pacific University.



TAX FOUNDATION OF HAWAII

Hawaii's Watchdog on Taxes & Government

By Tom Yamachika

Governors Abercrombie and Waihee on Leadership



On Tuesday, September 8, the Tax Foundation was pleased to welcome former Governors Neil Abercrombie and John Waihee III to the first ever virtual annual meeting of the Tax Foundation of Hawaii.

During the Zoom meeting, we had a free-flowing discussion of topics, sometimes tightly connected with taxation and public finance, and sometimes loosely connected. Many of the twists and turns in the discussion were driven by audience questions.

One of the central themes of the discussion was the COVID-19 pandemic and the economic fallout from it. The governors zeroed in on two principal drivers of our government's response, namely structural capability and leadership.

Structural capability reflects the ability of government to respond to new things. Gov. Abercrombie mentioned that during his term in office he was worried about the State's information technology infrastructure and tried to implement significant changes to it. Changes did happen, but vestiges of older technologies stubbornly remained – such as the [two fax machines that the Department of Health's contact tracing program has relied on](#) to receive reports of new and suspected cases. Structural capability also reflects the ability of people in it to

respond with creative, out-of-the-box thinking, such as the [COVID-19 testing effort in the Interstate H3 Harano Tunnels](#) spearheaded by Deputy Director of Transportation Ed Sniffen.

Leadership, loosely defined as the ability to motivate people to do what you want when they might not be willing to do it without the motivation, is an ability (or lack thereof) often cited in describing a government's response. Gov. Waihee identified three essential aspects of leadership. First, there must be no corruption. If the public thinks you as a leader are doing something wrong, they will have less motivation to follow you. Second, there needs to be openness, and third, there needs to be clear communication to the constituency of what and why. The electorate doesn't like to be told to shut up and do what they're told. They need to have some sense of not only the desired behavior but also the reasons behind it before they are able to buy in.

The openness aspect seemed to be lacking at least in our government's initial response to the crisis. When the emergency proclamations giving us the stay-at-home orders and quarantining came down from the fifth floor of the Capitol, [the Governor suspended in its entirety](#) the state's chapter of mandating public access to government records, and suspended a large part of the state's open meetings laws. The Governor

walked back the suspensions a little at the beginning of May, but it seems that the tone and direction of the executive branch already had been set. Not even the Legislative Auditor was able to obtain cooperation with its information gathering efforts at the [Department of Health](#) or the [Department of Education](#). When it is that tough for a government agency to get answers, woe be to the press and the public who are trying to find essential information.

When government is challenged in structural capability or leadership, Gov. Abercrombie suggested that a possible solution is to fill in the gap with a public-private partnership, such as is being tried with the [Aloha Stadium grounds](#). Of course, safeguards need to be in place to be sure that the interests of the public are protected, but many situations present opportunities for win-win situations.

Our thanks once again go out to former Governors Abercrombie and Waihee for such a thought-provoking discussion!

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 Acuity LLP where he managed the tax consulting practice, including quality and risk management and practice development.

Reimagining the profession.

Now more than ever, the accounting profession needs to reimagine. That means looking beyond chaos to find opportunity in a new and better normal.

View this video clip from the virtual 2020 AICPA Spring Council Meeting.



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Norman's Book Review

“Anti-Aging Hacks”

by Karen Asp

I think all of us are on a constant look out for the next best things to help us look and feel younger. Society definitely has a bias towards being younger than older. Here to assist us is Karen Asp's book which is filled with 248 hacks to help us find that fountain of youth.

Karen not only is an excellent writer, but she definitely walks the talk. As noted on her website, she is a “journalist, author, vegan, athlete, Nordic walking world record holder, fitness pro, eco-minded yogi, fur mom, world traveler, animal shelter volunteer, birder, pianist, bookworm, lover of all things brewed (especially beer), and hummus-sapien.” Best of all, Boggle has always been her favorite game, and that was one of my favorite games too! The following are my “top 10” favorite hacks from Karen's book. I also included a fun quiz on page 15, where you have to match the ## hacks with their anti-aging benefits.

Measure Your Mile Speed

As CPAs we want things we can measure and compare against ... we can't help ourselves. Additionally, I know many of you like to jog to stay fit. A good predictor of your risk of having a heart attack or stroke is how fast you can run a mile. You can do this on a track or on a treadmill. The following are the guidelines from the Cooper Institute:

Under Age Forty

- Excellent: 13:30 minutes or fewer
- Good: 13:31 – 16:00 minutes
- Average: 16:01 – 18:30 minutes

Over Age Forty

- Excellent: 14:30 minutes or fewer
- Good: 14:31 – 17:00 minutes
- Average: 17:01 – 19:30 minutes



For many of you, these numbers are a piece of cake. For those who struggle to achieve these numbers, the author says “you can improve

your time by exercising regularly, doing high intensity work at least once a week, and cross training.”

Take the Sitting-Rising Test (SRT)

Don't like to sweat? Try taking the SRT, which “measures balance, flexibility, and muscle strength, all of which you need to live longer. Start from standing and lower yourself to a cross-legged sitting position. Now stand back up, trying not to use your hands, arms or knees. Score yourself on a scale of zero to ten:

- If you can sit and stand without any support, you earn an automatic 10 points, 5 points max for sitting and 5 points max for standing without any support.

- Deduct a full point whenever you have to use support on the way down and on the way up. (one point each for hand, forearm, knee, side of leg to press up from the ground, or bracing a hand on the knee)
- Deduct ½ point whenever you lose your balance on the way down and on the way up.

Why this test is so insightful is based on a study of over 2,000 men and women aged 51 – 80, people who scored less than eight points on the test were twice as likely to die within the next six years, versus those who scored higher. People who scored three or fewer points were more than five times as likely to die within the same period, versus folks who scored above eight points. Overall, each point increase on the scale was associated with a 21% improvement of survival. No matter your age, taking this test is a good gauge of your health. If you are younger than 50 and struggle with this test, the author says consider this a wake-up call to improve your health.”

It's amazing what we can learn from this simple test! Please take it and see where you are health wise.

Drink Coffee!

“In a University of Southern California study of over 215,000 people, drinking a cup of coffee (caffeinated or decaf) daily

reduced the risk of certain cancers, diabetes, liver disease and Parkinson's. Drinking more than one cup a day was beneficial too."

The author suggests "drinking coffee black since an eight-ounce cup contains only about two calories. Also, since it takes your body about three to five hours to eliminate half the caffeine you consume, try not to drink coffee in the afternoon."

Sip Red Wine

I'm including this in my review to provide additional confirmation to the many red wine drinking CPAs that drinking red wine is good for you. "Some of the longest-living people enjoy a glass of red wine regularly, often daily.

Red wine contains resveratrol, which helps to lower blood pressure, protect your brain, help ward off certain cancers, and may have anti-aging benefits. Red wine may also help your gut microbiome."

Adopt A "Low-Risk" Lifestyle

Based on a study of 123,000 Americans for over 30 years to understand why Americans have one of the shortest life spans of industrialized countries in the world, researchers found five "low-risk" lifestyle habits that help you live longer. The author calls the combination of these five behaviors "magic making."

- 1. Don't smoke
- 2. Maintain a low BMI
- 3. Exercise at least 30 minutes a day
- 4. Moderate alcohol intake
- 5. Eat a healthy diet

What's a healthy diet? A healthy diet was defined as "high in fruits, vegetables, whole grains, nuts, polyunsaturated fats and omega-3 fats, and low in sugary beverages, trans fat, sodium and red / processed meats."

CPAs are naturally risk adverse, so I'm sure many of you are doing these five things. To give you the numerical impact of "making magic in your life," the author says "if you're 50 and adopting all five habits, you could live another 43.1 years if you're a woman, and 37.6 years if you're a man. If you're not

following these habits and you're 50, give yourself only 29 more years of life if you're a woman, and 25.5 years if you're a man."

Cherish At Least 5 Friends

We all know how important friends are to us. Living in Hawaii as part of an island community makes our friendships even more special, since many of our relationships have continued since elementary school. Only in Hawaii do people ask other locals "what high school did you go to," and start going off on who they know at that school and neighborhood.

According to the author, "a British researcher had deduced the average person has 150 social connections at

Continued on page 16

How Well Do You Know Your "Anti-Aging Hacks" Test

Match first column with the anti-aging benefits in second column.

HACK	BENEFIT
1. Mashed avocado	A. Slow aging process
2. 0.4% Retinol	B. Tighten skin pores
3. CoQ10	C. Improve thyroid function
4. Turmeric	D. Prevent cancer, lower cholesterol, improve insulin sensitivity
5. Drink green tea	E. Reverse and prevent bone loss
6. Eat 5 prunes daily	F. Improve skin elasticity
7. Fermented foods	G. Fight age spots
8. Eat Brazil nuts	H. Smoother skin
9. Artichoke paste	I. Smooths wrinkles
10. Eat seaweed	J. Hydrate dry skin

Answers on page 16

any given point, and 15 people closest to you are important to your overall well being. Science has further suggested that five is the perfect number of friends you should hold close to you.”

This pandemic has shown us how important our friends are to us and how much we miss our social interactions.

Celebrate Your Age

This book was one of the most interesting, fast reading and fun books I’ve ever read. The author has a great writing style and has a special gift of explaining complex things in simple terms.

I thought the best way to end this book

review is the way she ended her book with hack #248, “Celebrate Your Age.”

As the author has continued to live her life, this last hack is her pep talk to “stop complaining about getting older and instead celebrate your age! While it’s not fun to see your hair go gray or your skin get wrinklier, only you can decide what that number means, and know that age doesn’t have to define you.”

She suggests we should “view each birthday as a celebration and find a way to honor the years we have spent on earth – and all the years we have yet to enjoy. It’s a gift to be alive, so ENJOY THE PRESENT!”

Hack Test Answers



1 = J
2 = I
3 = H
4 = G
5 = F
6 = E
7 = D
8 = C
9 = B
10 = A



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TAKE YOUR PICK WEBINARS HAWAII TIME!

OCTOBER 8-9: Hawaii Technology Conference

Busy accounting and financial professionals who want to improve their personal and organizational productivity should attend this two-day conference.

OCTOBER 19: [4 HOURS] Federal Tax Update with Sue Smith

Both businesses and individual clients face major changes as a result of tax reform, and tax professionals face the considerable challenge of delivering effective planning advice and services to address this myriad of recent developments. This course addresses this challenge and also encompasses the latest cases and rulings applicable to individual and business clients.

OCTOBER 20: [4 HOURS] Nonprofit GAAP Refresher

This program provides participants with a chance to refresh their knowledge of U.S. GAAP. It will cover ASU 2016-14 on the new not-for-profit financial statements along with accounting issues starting with cash and going through consolidations. **Qualifies for the 24-hour Yellow Book requirement.**

OCTOBER 21: [4 HOURS] Government Auditing Standards – 2018 Yellow Book

The GAO finalized its amended version of Government Auditing Standards in the summer of 2018. The new Yellow Book is a modernized version of Government Auditing Standards that takes into account developments in the auditing, accountability, and financial management professions. Some of the new provisions address quality control issues identified by federal agencies and the AICPA. This course covers the Yellow Book requirements for financial statement audits, attestation engagements, and performance audits. **Qualifies for the 24-hour Yellow Book requirement.**

OCTOBER 22: [4 HOURS] Maximizing Your Social Security Benefits

The leading edge of the baby boomer generation has already reached retirement age. Financial and tax planners can expect increased demand for strategies that dovetail Social Security with other retirement and estate planning objectives. This course provides tax and financial planning professionals with both the background information on the Social Security system and the strategies clients will need in dealing with Social Security, and the myriad other related retirement planning issues.

OCTOBER 27: [6 HOURS] Selected Topics in Individual Tax

Participants will review the rules, cases, and regulations that apply to common problems involved in preparing an individual income tax return. Specific areas will be explored in depth.

OCTOBER 28: [8 HOURS] Passive Activity Losses and Corporate Liquidations

The Individual Series of classes is designed for tax return preparers and new tax professionals. Participants will acquire an understanding of the underlying authority for, and possible complexity of, seemingly simple tax questions, and how that authority ties into tax software programs and preparation of the tax return for an individual. This course specifically addresses the passive loss rules and filing Form 8582.

OCTOBER 29: [2 HOURS] Mechanics of Like-Kind Exchanges

This class is designed to illustrate the steps to follow in filling out Form 8824, Like-Kind Exchanges.

[Click on the course title above to register!](#)

KALA
OCTOBER 2020

CPA FIRM MICROCOMPUTER TECHNOLOGY

By Joy Takaesu of The CPA Collective



Microsoft warns that there are active attacks targeting the Windows Servers vulnerability known as “ZeroLogon,” where a successful attacker may gain domain administrator privileges. Microsoft had released a patch addressing the vulnerability in August (see CVE-2020-1472), and warns that unpatched Windows Servers are at risk. In addition to the earlier patch, Microsoft plans to enforce the secure remote procedure call (RPC) for Netlogon on Feb. 9, 2021, which will require installing another update at that time.

Microsoft has been previewing and adding new features in Office 365, including:

- **Transcribe in Word** – allows you to record and automatically transcribe audio directly in Word for the web.

Transcribe automatically detects different speakers, and you can view, edit, and share the transcript after recording. You can also import audio or video, but there are currently limits of five hours per month & 200MB per upload for uploaded recordings.

- **Dictate** – Microsoft is adding voice commands to Dictate that allow you to add to, format, edit, and organize your text. According to Microsoft’s blog, Dictate will include some natural language phrases like “bold last sentence” or “pause dictation.”
- **Application Guard for Office** – currently in public preview, Application Guard will sandbox untrusted files, so that users can securely view attachments in in a restricted environment.

Apple recently inadvertently approved malware disguised as an Adobe Flash update. Apple requires all macOS apps to go through an automated “notarization” process that scans software for malicious content before it can be distributed. Once notified about the fake Adobe Flash update, Apple revoked the associated certificates and developer account. Shortly after that, a security researcher discovered that the same malware had passed notarization again, but Apple revoked it again. Apple’s notarization system is designed to help reduce the likelihood of malware, but just because software has been notarized by Apple, it doesn’t necessarily guarantee that it is safe.

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

Hawaii Practices For Sale

Gross revenues shown: Hilo Tax & Accounting \$34K - tax work (85%) accounting services (15%); Honolulu CPA Tax \$266K - tax work (70%), book-keeping (20%). For more information, please call 1-800-397-0249 or to see listing details and register for free email updates visit www.APS.net.

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Spotlight on HSCPA Scholarship Recipient Maya Hananoki

By Trisha Nomura



Supporting the next generation of CPAs is incredibly important to the future of our profession. It is one of the reasons that the YCPA Squad focuses many of our efforts on students majoring in accounting and considering the CPA pathway. It is also why each year, the HSCPA awards scholarships to local students.

This month, we are following up on a past award recipient, Maya Hananoki. Maya received the CPA Exam Award in 2013, and we caught up with her to find out what she has been doing since then and how receiving the award has impacted her career.

Maya said, "The award was beneficial in helping me reduce my part-time work schedule from around 24-30 hours per week to about 10-15 hours a week (along with some family assistance) and offset my CPA exam costs, so that I could study and sit for the CPA exam prior to starting work full-time (as I was completing my Master of Accounting degree)." As a result, she was able to pass three out of the four sections prior to starting her full-time job and received her CPA license within a year after she started working. She has been a member of the HSCPA since 2013.

Maya has now been at Accuity LLP for over six years, and is an Assurance Manager. She chose audit after speaking with a few mentors who recommended that it would be an enriching career path for her. "This has turned out to be true as I have learned so much from being exposed to many different companies, industries, and people, and I have developed enjoyable relationships with clients and coworkers," she said.



When asked what it means to her to be a CPA, she responded, "I take the ethical requirements very seriously both at work and outside. As CPAs, we are representing our firm and the profession. Any unethical missteps could have serious implications. To fulfill the ethics continuing education requirement for licensure, I have attended many training sessions on

how to avoid ethical conflicts, which are actually thought-provoking at times." As the dynamics of our current environment are changing every day, Maya sees the increased use of data analytics software and outsourcing of work as important issues facing our profession.

Maya has been involved in the YCPA Committee, and has spoken to students about what a career as a CPA is like. Looking back at the award, she is very appreciative and said, "Thank you, I am very grateful!"

If you know a student majoring in accounting, please encourage them to consider applying for the HSCPA scholarships we have available:

- [Hawaii Society of Certified Public Accountants Scholarship](#) (administered through the Hawaii Community Foundation – keyword: accounting)
- [HSCPA Family Scholarship Endowment](#) (administered through the University of Hawaii Foundation)
- [HSCPA CPA Exam Scholarship](#)

School of Accountancy Mentor/Coach Program



The University of Hawai'i School of Accountancy has launched its Mentor/Coach Program (MCP) to provide students with an opportunity to connect and learn from accounting and auditing professionals, allowing for career insights, as well as professional and personal development.

The program will serve as a pathway for undergraduate and graduate accounting students to enter the professional arena and gain valuable first-hand insight. The MCP is open to all accounting students.

For complete information on the program, click [here](#).

If you would like to serve as a Mentor, apply [here](#).

Questions on the program should be directed to:

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