

SEPTEMBER 2021

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The Official Publication of the Hawaii Society
of Certified Public Accountants

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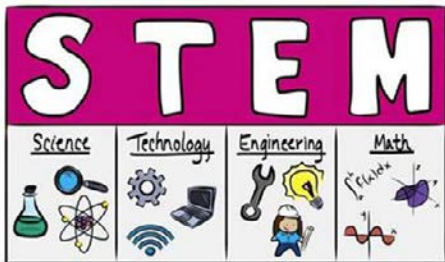
President's Message

By Ed Nakano

Accounting as Part of a STEM (Science, Technology, Engineering and Mathematics) Education

The accounting profession, like many sectors of the economy, both locally and nationally, is finding itself with a shortage of talent to fill available jobs. While the COVID-19 pandemic has exacerbated this problem, the accounting profession has long faced such a shortage.

I found two promising and relevant articles that address this shortage of talent: "Bill Would Make Accounting Part of STEM Education" written by Michael Cohn of Accounting Today and "Accounting as a STEM Career" podcast hosted by Neil Amato, Senior Editor of the Journal of Accountancy and Diana Deem, AICPA Director of Congressional and Political Affairs.



Two Congresswomen, Representatives Victoria Spartz, R-Indiana and Haley Stevens, D-Michigan, introduced a bill to establish the accounting profession as a valuable STEM career pathway. This bill is supported by the AICPA, NASBA and IMA. "As a CPA who worked in a variety of industries, taught accounting at college, and started my own business, I understand the importance of finance and accounting skill for students – regardless of which endeavor they pursue in life", stated Spartz. Representatives Stevens and Spartz are seeking bipartisan support for the bill. To aid in the bill's passage,

the AICPA will be educating lawmakers and staff about the bill and the important role the profession has in helping restore our country's economic growth and continuing to protect the public interest.

The bill:

- adds "activities to promote the development, implementation, and strengthening of programs to teach accounting" to the list of allowable uses of grant funding under the Student Support and Academic Enrichment Grant program.
- will work to increase access to high quality accounting education for K-12 students to improve career awareness.

Susan Coffey, CEO of public accounting at the Association of International Certified Professional Accountants, said in a statement, "the accounting profession has always been a leader in using and developing technology to make informed decisions, solve problems and improve the delivery of audit, finance and tax services." She also added that "As the profession continues to apply advanced technology and technology-enabled techniques, it's never been a more exciting time to be an accounting professional."

Highlights from Neil Amato's and Diana Deem's podcast relating to STEM education included:

- CPAs were early adaptors of technology using spreadsheets, data entry tools and software such as Lotus 123 to help clients be more efficient and find ways to grow their businesses. Currently,

with the use of technology as blockchain, digital assets, and artificial intelligence, there is a clear overlap between accounting and technology.

- CPAs are technology leaders. They manage and analyze big data, ensure data security and work collaboratively with IT professionals.
- COVID-19 pandemic demonstrated the resilience of the profession to pivot, using technologies, new techniques for audits, especially working remotely with clients and keeping everyone safe.
- Including accounting as a STEM profession helps to grow the pipeline of talent that will help the profession and business.
- The bill introduced by Representatives Stevens and Spartz will address the already softening undergraduate enrollments and the accounting profession's staffing issues today which, if not addressed now, could become a long-term problem as a high percentage of the current workforce retires. It's about the pipeline of accountants and making sure the accounting profession continues to serve the public interest and helps businesses grow strategically.

These are promising legislative events which will assist the accounting profession in the near and long term to thrive, address the current staffing issues and benefit businesses and the public.

Take care and be safe.

5 Reasons to Disengage from a Tax Client

by Suzanne M. Holl, CPA

Now is a good time to screen tax clients for potential problems. There is still ample lead time before tax season for a client to replace you in the event you decide to disengage.

Client screening is excellent risk management as well as practice management. It's the first step in an effective loss prevention program, and it can be used to identify less desirable clients that may be keeping your firm from developing the clients you want.

For additional information regarding the CAMICO program and/or to receive a free, no-obligation premium estimate, contact Harris Hauptman, Senior Account Executive: Tel: 800.652.1772 extn. 6727 Direct: 650.378.6727 Email: hhauptman@camico.com

Re-evaluate your relationships with clients on a regular basis—at least annually. The following checklist highlights some of the warning signs that it may be time to disengage from certain clients—ideally after they have paid their bills.

1. Difficult Behavior

Does the client pay your firm on time? Provide the documents you need? Return your phone calls? Or is the client non-responsive, causing delays? Difficult behavior should be explored. It may be an indication of a failing business, financial problems, substance abuse or other personal problems. Uncovering the source of the problem might help, but take swift ac-

tion to remedy the situation or disengage before the situation worsens.

Some clients may pay well but are nasty to your staff, make unreasonable demands, complain excessively, argue, threaten to sue you, or are generally obnoxious, creating turmoil for you and your staff. Is this client worth keeping? Sometimes the answer is “no, life is too short.”

2. Withheld Information

When a client does not provide the information you need, carefully consider the problem. Is the problem sloppy record keeping, or is the client deliberately withholding information? If it looks deliberate, be cautious, especially if you are urged by the client to proceed with work without having proper documentation. Client behavior such as this is a red flag, and repeated delays could be the result of unethical or illegal activity.

3. Changes in Client's Business

Changes in a client's business may lead the client in a direction that causes you to reconsider the relationship. A client may, for example, buy a business that requires work you are not qualified to perform. Or a start-up client may grow and decide to go public, and you may not want to perform the public work. Such changes can alter the professional relationship and result in a situation that causes you to disengage.

4. Changes in Your Firm

When your firm changes, you may also need to change your client base. The loss of a partner with expertise that the other partners don't possess will require a

decision by the firm regarding continued service to the former partner's clients. You may decide that you no longer want to continue performing a particular type of work. Or you may decide to grow your business in new directions. Review your client base whenever your firm changes in order to determine whether or not all existing clients still fit the firm.

5. Potential Conflicts of Interest

Consider all client situations carefully to spot potential conflicts of interest, which may affect your objectivity or independence—even if you are not engaged to do attestation work. Examine potential or actual conflicts of interest from a broad point of view, considering the client's perspective as well as those of other stakeholders such as owners, investors, partners, beneficiaries and spouses. Troublesome scenarios can include a partnership break-up, a failed investment, bankruptcy, a trust, merger, divorce, or anything else that can create opposing or disappointed factions.

Disengagement

When you decide to disengage, seek to terminate the relationship professionally and formally, in writing. Your disengagement letter should always contain clear statements, a description of your work, and a list of any due dates or filings. Try to provide ample lead time before a client's deadlines to better protect yourself. Your client need not feel antagonized in any way. Done effectively, a disengagement can leave your client feeling that you have acted in the best interest of both parties.

Continued on page 13

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KALA SEPTEMBER 2021

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HSCPA 61ST ANNUAL CONFERENCE

VIRTUAL ANNUAL CONFERENCE

NOVEMBER 19, 2021



FEATURING ETHICS + MORE

What a year! All businesses have had to embrace changes, and for CPAs, some things will never be the same again. Adapting to digital relationships in the pandemic has also increased the risk of ethical compromise in remote working, staff size reduction, assurance services, increase in fraud, and ethics across the supply chain.



Great Speakers and Topics!



Join us virtually at the 61st Annual Conference to welcome **Bill Pirolli**, Chair of the American Institute of CPAs. “Mr. Storyteller”, as he’s also fondly known as, will discuss the most current professional issues and share insights on some of the major initiatives underway and on the horizon. Bill will provide insight on the forces shaping the accounting profession and how it will affect members and organizations.

Ethics – Our Guiding Principle! Hear HSCPA’s finest, **Ron Heller**, cover the basic tenets of professional ethics, and explain recent changes in the AICPA Code of Professional Conduct. Ron will teach you how 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.

“Local boy” from Mililani High School to New York prosecutor, then back to Hawaii after being appointed to the top spot as Hawaii U.S. Attorney, **Kenji Price** will return – virtually! Don’t miss Kenji as he shares insights on white-collar crimes and other public corruption issues. The people of Hawaii are grateful for the years he spent “giving a voice to those who have been victimized by crime”.

Entertainment!

Dance – and sing – like nobody’s watching! How long has it been since you’ve kicked off your shoes and danced? Here’s your opportunity! Enjoy happy hour with **The Flying Ivories**, a dueling piano live performance. Join us for a fun and entertaining time as we start the weekend. You’ll get to choose songs and shake your groove, so grab your favorite fun beverage and have fun.



Timely updates, useful information, and fun stories for 7 hours of CPE, “lunch” yes, even in a virtual environment, SWAG!, and hella fun! Don’t miss this event and [Register now!](#)



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Featured Speakers



William (Bill) Pirolli, CPA/CFF/PFS, CGMA, is the Chair of the American Institute of CPAs (AICPA) and also serves as Chair of the Association of International Certified Professional Accountants. He is partner at DiSanto Priest & Co, CPAs, a multi-disciplinary accounting and financial services organization in Warwick, RI. Bill maintains an active client base and focuses on trusted advisor services such as estate and succession planning, mergers and acquisitions, financing and litigation support, as well as traditional tax, accounting and advisory services.

Over his 41-year career, Bill has served in several volunteer AICPA roles: the AICPA Board of Directors, the Association of International Certified Professional Accountants (Association) Board of Directors, the AICPA MAP Committee, the AICPA Small Firm Advocacy Committee, AICPA Council, the Association Nominating Committee, the ENGAGE Planning Committee, and the AICPA Relations with the Bar Association Committee. He is a Past Chair of the AICPA/PCPS Executive Committee, serving that committee for nine years. Bill recently received the AICPA Sustained Contribution Award for 20 years of continued volunteer service to the profession.

Bill is an avid golfer, loves to cook and rides his Peloton with passion. He lives in Rhode Island with his wife Joanne.

He earned a Bachelor of Arts in business with a concentration in accounting from Bryant University.



HSCPA's finest, **Ron Heller**, has been practicing law in Hawaii for over 30 years, concentrating on tax litigation, tax law, and business disputes, primarily dealing with accounting and financial issues. He is a licensed Certified Public Accountant as well as an attorney. Ron is a Fellow of the American College of Tax Counsel, and a past Chair of the Tax Section of the Hawaii State Bar Association. He has litigated tax cases at the county, state, and federal levels.



Kenji Price focuses his practice on white-collar government investigations, internal investigations, compliance counseling, and complex civil litigation. Prior to joining McDermott, Kenji served as the United States Attorney for the District of Hawaii. As the chief federal law enforcement officer in the district, Kenji led a team responsible for representing the United States in criminal and civil litigation in the district. In addition to leading the US Attorney's Office in Hawaii, Kenji served as the Vice Chair of the Controlled Substances Subcommittee of the Attorney General's Advisory Committee. **Speakers**

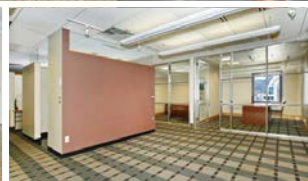
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11 improvements you can make to recruit and support remote employees

By Nils Menten of Imarc LLC

A bright spot from the events of the past 14 months – we became very successful at recruiting, onboarding, and integrating remote teammates. Here are 11 things we learned.

What do you do when your growing company needs to continue hiring during a period of historic uncertainty? We had that challenge last year, and it was a big one at first.

When we first transitioned to a fully remote “work from home” (WFH) model, we told our team, “Go home, be safe, we’ll see you in a few weeks.” Little did we know!

Shortly after we went home, we experienced turnover in a few positions. At the same time, our clients were hungry for more projects, so we needed to fill those open positions.

As we filled the open positions, we added additional positions, and our headcount quickly grew. In total, we have onboarded 25 new teammates since March of 2020 – that’s a full third of our current workforce.

Here’s an inside look at what worked for our growth:

- **Cast your net a little further and a little wider.** We have historically recruited from a geographic area within an hour or so from our Amesbury office. When we decided to be open to hiring permanent staff from anywhere in the country, the results were striking: We suddenly had an improved, diverse candidate pool from all over the country. It became faster and easier to zero in

on the best fit for our team. One downside of that was increased overhead for state employer registrations and payroll tax and compliance issues. We use one service to manage our payroll and another service to solve a lot of the complexity of the tax and compliance issues at a reasonable cost. It was totally worth the effort because our team is the best it’s ever been.

- **Audit your benefits package to ensure it’s fair to all employees and competitive in the marketplace.** Prospective employees are examining this closely, and so should you. In our case, we found that our healthcare offering was not so great for teammates outside of our home state. We worked with our benefits agent to come up with a national plan that delivered a much better overall plan for our entire team wherever they live. The remote people “felt the love” too.



- **Create a better process for onboarding and stick with it.** We made a template in our project management software to ensure that we cover all the items we normally would when onboarding a new hire in person. This includes everything from the elections for payroll, benefits, and retirement accounts to sending computers and other hardware to get

folks set up in advance of their start date.

- **Give the new hires a runningstart.** When someone decides to join your team, that’s a big deal in their lives and yours. They are often eager to dig in, get set up, and learn their way around. We set up email and network accounts, ship out their laptop and some company swag to their home, along with a company handbook and some other job-specific items at least a week ahead of their start date. We also chose to onboard new folks on Tuesdays – it may sound like a small thing, but we’ve found that our hiring managers are more able to focus once they’ve had Monday to get their teams spooled up and running for the week.
- **Don’t neglect the social aspects of onboarding.** New people are eager to make connections with their colleagues and to get a sense of the atmosphere, culture, and norms of your workplace. We have several social elements included in our process, including the assignment of a mentor in their discipline, plus a second contact that acts as senior management’s “Ambassador”. This person is a go-to for all the questions that crop up that are unrelated to a person’s actual job. Our office manager is the third contact, and checks in to ensure that any logistical barricades are overcome, like getting supplies or resources sent out, etc.
- **Make time to make connections.** We use an app on Slack called “Donut”, which randomly pairs people for introductions and ice-breakers across

the company. New teammates are also assigned a task to schedule a conversation with senior management, and that's been positive too.

- **Have shorter meetings.** This benefits everyone, but particularly the folks that don't come into the office. We shortened up the default meeting lengths by 5 minutes in our Google Calendar to 25 and 50 minutes. This allows for some time for humanity in between meetings. It also creates a little wedge of time for the valuable "stand-up" conversations that often occur at the end of in-person meetings too.



- **Create and follow "remote first" workstyle policies.** Mostly this means that you should ensure that your remote staff can be and just as importantly feel they are on an even footing with those that are "in the room". We are careful to communicate agendas and findings of our meetings in shared Google docs so everyone has references and can find the resources they need to do their work. Other meeting space upgrades are also in the cards to ensure that video and audio meeting experiences are on par for everyone.

- **Make space for humanity when you're online.** I make a point out of starting every one of my online meetings with at least a few minutes of "humanity," the same as I would if I were greeting a colleague or client in person before getting to business. We Easterners have earned a reputation for being in a rush to get down to business, get things

done, but my friends and colleagues in the rest of the country have shown me a little more grace when we slow down, share, and listen. We have time to be human in our online interactions, and everything is better for everyone when we take it. Related: If you're leading a long meeting, offer everyone a 5-minute "bio-break" every hour.

- **Remember to have some fun.** At our best, we're having some fun in our workplace as we're kicking butt and getting stuff done. Make some room for fun in the online space too, so the remote employees can make the social connections that bind us together and get us through the rough spots together more easily. We encourage the creation and use of social channels in Slack. Here, those channels run the gamut from music and culture to food and sports and the news of the day. We hosted a few virtual social events each month this winter when our people were the most

isolated from each other and their loved ones. We're even planning a get-together this fall and we hope to bring all of our remote colleagues in for some fun and socialization!

- **Ask for feedback, and then act on it.** We're in constant communication with our team. Our HR team sends out surveys at 30 and 90 days for new hires that ask a consistent set of questions. The responses are shared with senior management and the HR team. These have led to identifying gaps or shortcomings in our onboarding process that we were able to address and improve. The feedback and overall happiness of our new teammates have steadily improved as a result of this effort, and that has benefited everyone involved. Commit to getting better at this by measuring your outcomes, asking for feedback, and then acting on it.

Nils Menten is Founder/CEO of Imarc LLC, and proud developers of the HSCPA website. www.imarc.com/about

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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.

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 at www.hscpa.org/professional-development Professional Development – HSCPA. **Next reporting year: License and PTP renewals by December 31, 2021. Firm PTP renewals will require peer review reporting, if applicable.**

USING THE “CPA” DESIGNATION

Can one use “CPA” after his/her name with a license but without a PTP?

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 current Permit to Practice, subject to certain exceptions.

If you have a CPA license but not a current PTP, you may call yourself a “CPA”, but you must make it clear that you are **NOT** actively engaged in the practice of public accounting (e.g., by adding the words “*not in public practice*”).

People in different positions use the title “Certified Public Accountant.” Some of them 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 actively engaged in the public practice of accounting to call yourself a CPA.

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, if you do not have a current PTP, any statement that suggests or implies that you are a CPA now should clearly indicate that you are not in public practice.

Of course, the other alternative is to maintain a current Permit to Practice. If you have both a CPA license and a current 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.

**The Regulated Industries Complaints Office (RICO) is a statewide agency of the Department of Commerce and Consumer Affairs. RICO enforces the regulatory standards of over forty professions, occupations, and programs by receiving, investigating, and prosecuting complaints.*

Hawaii Practices For Sale

Gross revenues shown: Kauai Island CPA \$100K; Big Island CPA \$270K; Kailua/Maui/Honolulu CPA \$530K; and Honolulu CPA Tax \$266K. 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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This course is continually monitoring the COVID-19 impact and will be updated as new information develops.

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- ✓ Identify the types of individuals who are subject to the 3.8% Medicare tax and the forthcoming changes to the 3.8% tax on Form 8960
- ✓ Discuss deductibility of expenses from a PPP loan and requirements to claim the Employee Retention Credit
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INCREMENTAL MATURITY BY NITIN BHOJRAJ, CPA, CFE



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NAVIGATING THROUGH MY CLIENTS' EIC WORKSHEETS!

Continued from 7

Effective communication is a key factor in any CPA-client relationship. When you work to stay informed and in control, you are safeguarding your firm. In the end, disengaging is simply good practice management, and knowing how to do it skillfully and professionally will help you grow your practice and avoid liability.

Suzanne M. Holl, CPA, is senior vice president of loss prevention services with CAMICO (www.camico.com). With more than 28 years of experience in accounting, she draws on her Big Four public accounting and private industry background to provide CAMICO's policyholders with information on a wide variety of loss prevention and accounting issues.

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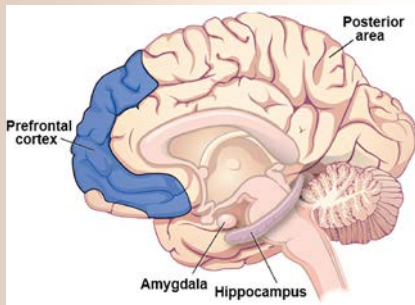
Norman's Book Review

“Forgetting, The Benefits of Not Remembering”

by Dr. Scott A. Small

I must say I was intrigued by the book's title, since one of people's greatest fears is being forgetful and worrying if they have Alzheimer's Disease (AD). Dr. Small is a “physician specializing in aging and dementia and a professor of neurology and psychiatry at Columbia University, where he is the Director of the Alzheimer's Disease Research Center. He has published more than 140 studies on memory function and malfunction. He has been a student of memory for more than 35 years.”

I found his book to be extremely interesting and gave me a better understanding of how our brain works and the benefits of forgetting. The book easily explains topics that can be complicated to follow and understand. The following are some of the key takeaways I thought CPAs would be interested in.



Main Parts of the Brain

“The following are the main parts of the brain, using a personal computer as a metaphor:

Posterior area – Where memories are stored

Prefrontal cortex – Helps to open and retrieve our memories

Hippocampus – Helps to save our memories

Also important is the **amygdala**, which is the brain's central command for danger management.”

Why Sleep is Important for Our Mental Health

The book notes “the body's need for sleep remains one of biology's great mysteries.” What is known is it appears “sleep refreshes the cortex by cleaning and clearing the cortical slate, allowing it to accommodate future memories ... essentially sleeping is forgetting.”

Sleep studies have shown “creativity benefits from a good night's sleep and in particular from our dreaming. Additionally, we are most creative when associations of what we do remember are kept loose and playful by sleep-induced forgetting.”

Exercise, Exercise, Exercise!

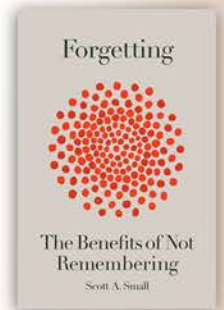
For those of you who exercise regularly, keep it up! Per Dr. Small, “only physical exercise meets the minimum standards in ameliorating cognitive exercises. Dietary interventions and cognitive aging have not met minimum standards in clinical testing at this time.”

Nobody Has Photographic Memory

Despite what memory magicians may make us think, or people we know who have amazing, photographic-like memories, “when formally tested, however, none of them, it turns out, have true photographic memories for all things. Most rely on lots of practice to develop superior memories for specific information categories, or cognitive tricks of the trade.”

How Cannabis Affects the Mind

With the prevalence of legalized cannabis and varieties such as gummy cannabis, I thought it was interesting to read about how it can affect our mind. “Cannabis contains an interesting group of chemicals, primarily tetrahydrocannabinol (THC) and cannabidiol (CBD). If you feel dread and anxiety when you consume cannabis, it's because THC is stimulating your **amygdala**. If you feel more relaxed when you consume cannabis, it's because you are more sensitive



to CBD than THC. CBD is known to dampen your *amygdala* activity.”



Look Into Your Dog’s Eyes as Much as Possible

“Oxytocin is a chemical naturally produced in our brains that is associated with good feelings such as love, maternal bonding and other bonding. A recent study showed that when dogs and humans gaze into each other’s eyes, their oxytocin levels increase. When oxytocin is administered artificially, it increases eye locking. That’s why dog therapy programs are so popular and helpful.”

Normal Aging vs. AD

As we get older, most of us notice our memory is not as good as it was when we were younger. With the prevalence of AD, we start to wonder if we are af-

flicted with AD. What is good to know is like how our vision gets worse as we get older, our memory skills get diminished over time too. “AD, on the other hand, is a progressive disease which eventually leads to overt pathological forgetting, loss of personality, loss of basic bodily functions, and death.”

“Dr. Small and his lab have created high resolution functional MRI (fMRI) camera applications which show normal aging affects a different part of the hippocampi (dentate gyrus) from AD, which affects the entorhinal cortex of the hippocampi.”

Autism

The book notes “what is found in all people with autism is behavioral inflexibility, so much so that “repetitive and restrictive behaviors” is a required clinical feature for an autism diagnosis. It is believed this is due to autistic people’s brain forgetting mechanism being impaired, due to certain gene functions being altered.”

“Intellectual Humility”

This phrase caught my attention. It is

a term used in the context of medical decision-making in the book, where “doctors can change their minds to ensure they ultimately arrive at the correct diagnosis and treatment plan. This allows doctors to be open to the possibility that their initial judgments might be wrong.” “Intellectual humility” is a good thing and has applications in business and other disciplines, when you have time to reach a critical decision.

Chimpanzees and Bonobos, Our Cousins

Did you know “chimpanzees and bonobos are our two closest living cousins, as we share more than 99% of our genes with them.”

Mice and Men

Mice are used for many studies because “the hippocampus in mice and men is nearly identical, down to the protein content of each of the hippocampal regions.”

Summary

I feel I have a much better awareness of how our mind works, AD, autism and ways to improve our memory skills. I highly recommend this book, especially if you are curious about what goes on in your head, or have concerns about being too forgetful or other differences you are noticing in your thought process. The case studies covered in the book are excellent!

As noted in the book, Dr. Small “dedicates his book to the hundreds of patients he has tried to help who have suffered from pathological forgetting.”

What is the difference between Alzheimer’s and typical age-related changes?

Signs of Alzheimer’s and Dementia	Typical Age-Related Changes
Poor judgment and decision-making	Making a bad decision once in a while
Inability to manage a budget	Missing a monthly payment
Losing track of the date or the season	Forgetting which day it is and remembering it later
Difficulty having a conversation	Sometimes forgetting which word to use
Misplacing things and being unable to retrace steps to find them	Losing things from time to time

Source: www.alz.org



TAX FOUNDATION OF HAWAII

Hawaii's Watchdog on Taxes & Government



By Tom Yamachika

Can Raising a Tax Lose Money?

One fundamental assumption that has been made over the years by our lawmakers is that if you enact a tax, money will be raised.

What if that weren't true?

In late 2019, a pair of economists, Enrico Moretti and Daniel Wilson, [published a paper titled "Taxing Billionaires: Estate Taxes and the Geographical Location of the Ultra-Wealthy."](#) In that paper, they followed the movement of 400 of the nation's richest people (the "Forbes 400") and came up with a mathematical model to predict the chances that a particular rich person would move out of state in response to either an enactment of or a hike in that state's estate tax.

Why concentrate on the wealthy? Only they are on the hook for the estate tax. Even in Hawai'i the estate tax doesn't kick in unless the deceased person has amassed \$5.49 million in wealth, so we are not talking about ordinary folks you see on the street.

Then, they theorized, based on earlier research, that if one of these rich people moves, they will pay a lot less of the former home state's other taxes, such as income tax and sales tax. In that way, the move will cost that state.

They then tried to answer this question: "If X State adopts or increases an estate tax, will that state make money or lose money, and how much?" They

tried to answer that question both with a targeted tax aimed at the ultra-wealthy (a so-called "billionaire's tax"), and with a broader based estate tax.

When they modeled the billionaire's tax, they found that 48 states had an expected revenue gain. But two states could be expected to lose money: California and Hawai'i. "For Hawai'i," the study said, "cost-benefit ratio [of having a bigger estate tax would be] equal to 1.43. The expected present value of having an estate tax is \$73 million. The difference between Connecticut [which would benefit from an estate tax] and Hawai'i is largely due to the difference in their personal income tax (PIT) rate. Hawai'i's PIT is higher than Connecticut's. The higher PIT rate in Hawai'i means a higher opportunity cost of foregoing billionaires' income tax streams."

When they modeled the broader-based tax, assuming that the less ultrawealthy (people who had estates big enough to pay estate tax but who weren't billionaires) were just as likely as the Fortune 400 to pack up and move in response to a tax hit, they found 42 states with an expected revenue gain. Eight states were expected to come up short. Of the states that don't have an estate tax now, four were at risk: California, Idaho, Nebraska, and New Jersey. Of the states that do have an estate tax, four were at risk: Vermont, Oregon, Minnesota, and—you guessed it—Hawai'i.

Although the study didn't pin down exactly when a state would be at risk for losing money if adopting an estate tax, it observed that California, the state with the most revenue at risk, had the highest personal income top tax rate. Hawai'i has never been far behind on that metric. We were even seriously considering legislation last session (Senate Bill 56, Senate Draft 1) that would have pushed our top personal income tax rate way past California's, and we [earned national attention, perhaps national derision, for that bill.](#)

Over the years, this column, among others, has been accused of pandering to the wealthy and for being opposed to the "fundamental fairness" that requires those with more to pay their fair share. We at the Foundation, however, are not trying to decide social policy. We're trying to present the facts and the risks of unintended consequences. Our legislators are the ones making the hard policy choices. They should be making these choices with more information, not less.

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.



“If Only I Had Known.”

By Steven Gaffney

It's a dreaded thought most of us have had at one point or another - usually when we've discovered a big problem that started out small. The good news is most problems really do start out small.

The better news is that a simple shift in understanding will empower you, and those in your organization, to improve communication and mend these small, lurking problems before they disrupt your business.

Getting the UNSAID, SAID

The biggest problem in relationships is lack of honest communication. I'm not referring to the difference between speaking truth or lies. I'm referring to something bigger; something you don't even hear. It's what people are not saying—essentially lies of withholding.

It may be well meaning, but how often have you said, “If only I had known, I could have done...” Dr Will Schutz wrote a book called, “The Human Element.” Out of all the research he did with companies he found that 80% of workplace problems can be sourced back to lack of honest communication.

So, the key is to get the unsaid, said in order to identify and begin to correct the small problems before they get out of hand. Here is an exercise you can do today, or at your next team meeting to begin to uncover the small bugs in the system:

What's bugging you?

Let your team know that you want everyone to be prepared to participate fully and to do that everyone will need to put all devices away so there will not be distractions. Discuss the concept of REBOOTING a phone or computer. The reasons you reboot a phone or computer are to get rid of small bugs in the system. Things that perhaps aren't causing major

problems but that, left unattended to, can turn into bigger problems. On computers we might run DEFRAG to get rid of little slivers of data or parts of programs that are no longer useful. Explain that you are going to run a defrag on your business team and then you are all going to REBOOT.



Have large sticky notes or even sticky flip chart paper and give everyone a sheet. Tell everyone not to put their names on them but to list a small annoyance or problem that they perceive to be bogging the system (team) down. Have folks just list one per page/person.

Collect them all and post them around the room randomly. Set a timer for 3-5 minutes and have each person go to a random sheet on the wall (tell them not to announce which sheet was theirs). Ask everyone to come up with at least one idea that could eliminate that particular problem and get as detailed as possible. When the timer goes off, everyone is to rotate one spot to their right. Do this a

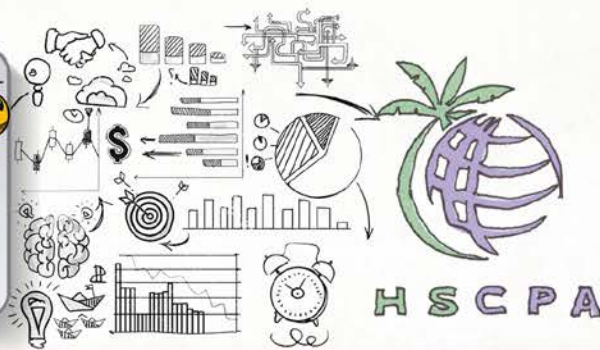
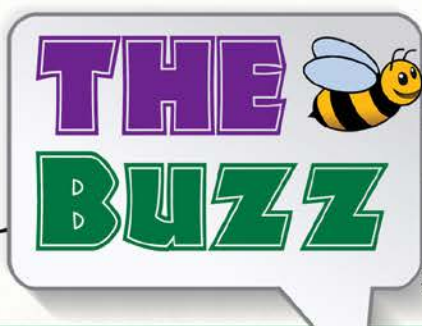
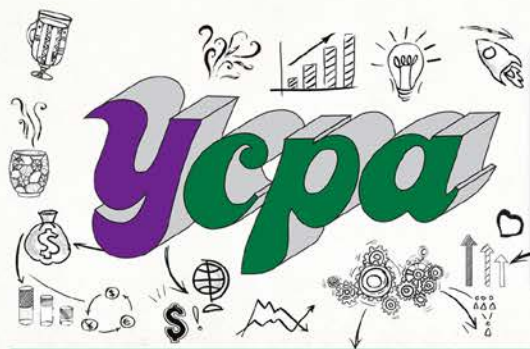
few times or if you have the time, do it until everyone has the chance to comment on everyone's sheet. After reviewing the sheets, ask the room for additional feedback or comments on any of them. Sometimes just the anonymity will surface all types of issues.

Commit to REBOOTING and working to eliminate or minimize the issues that you are able to do something to fix. Perhaps you select one per week or per month if needed. Your team needs to realize you are committed to creating a Consistently High Achieving Team (CHAT) and that running these defrags and reboots are necessary along the way.

We would love to help you and your teams become Consistently High Achieving Teams (CHAT) and have several resources for you. If you'd like to assess the current “health” of your team and begin to improve their effectiveness, contact us today.

Steven Gaffney is an expert in honest communication, establishing Powerful Culture™, and creating Consistently High Achieving Teams (CHAT)™.

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The CPA Exam is Changing in 2024 What Does it Mean for You?

By Megan Lewczyk

The CPA represents a significant sacrifice of time and energy. Every CPA has a story about the process. Most don't remember it fondly, because frankly, who enjoys tests? But just as a new decade heralded in lots of change due to the pandemic and advancing technology, it's time to keep re-imaging what it means to have a CPA license.

The AICPA, in partnership with NASBA, has embarked on a comprehensive CPA Evolution project to create a more versatile license, one that is tailored to each professional's strengths and preferences while still offering the same protection of the public interest and relative rigor. At the foundation of the new CPA Exam, expected to launch in January 2024, are three required Core sections: (1) Accounting, (2) Auditing & Attestation, and (3) Taxation. Also, important to note is that the proposed updates weave a stronger emphasis on technology throughout and not just as a separate content area.

The last section, which acts as a "choose your own adventure" of sorts, completes the requirements for licensure. There are three Discipline options: (1) Business Accounting and Reporting (BAR), (2) Information Systems and Controls (ISC), and (2) Tax Compliance and Planning (TCP). Candidates are only permitted to choose one Discipline option. However, if a candidate sits for a particular Discipline

and doesn't pass, it's all right to switch.

Candidates can take the updated version of the CPA Exam in any order, and each section is still 4 hours (16 hours total). There are no new experience requirements to register and test, and the exam is still designed to evaluate an accounting professional at the "1-2 years of experience" level even for the newly-added Disciplines.

Frequently asked questions:

Can current CPAs sit for one of the new Disciplines?

No, only new CPA candidates seeking initial licensure will be required to pass the new Core and Discipline model of the CPA Exam. It will not be permitted to take a Discipline to demonstrate your knowledge (or just "for fun") if you're already licensed.

I heard that IFRS is no longer on the CPA Exam. Is that true?

Yes, that's correct. The AICPA removed the difference between IFRS and US GAAP content from the CPA Exam for candidates testing after July 1, 2021. If you want to see the topics tested in more detail now or in the future, you can view the CPA Blueprint on the AICPA.org website.

If licensed after 2024, will your chosen discipline be shown at the end of your name?

Nope! Everyone will have equal rights

and privileges as a fully licensed CPA and would have the flexibility if at some point in their career they decide to change specializations, even if it no longer aligns with their originally chosen Discipline. This model also offers flexibility for additional Discipline options to be added to the CPA Exam over time.

If I'm not finished with all four sections of the Exam and I passed some sections prior to January 2024, or launch of the updated Core and Discipline model, what happens?

Formal guidance has not been released yet but NASBA is working with the State Boards of Accountancy on what the transition will look like for those impacted.

Will the CPA Evolution project do away with state licensure and transition to a single national license?

No. The state-based licensure model will stay intact and NASBA is working with each state to make updates as required to align with the proposed changes.

Learn more about the project by visiting Evolving CPA. If you'd like to provide feedback on the preliminary content proposed, visit the Core and Discipline Draft Content Survey by September 7, 2021.



CPA FIRM



MICROCOMPUTER TECHNOLOGY

By Joy Takaesu of The CPA Collective



Microsoft announced that in six months, it will increase prices for some of its Microsoft 365 and Office 365 subscription plans. Per Microsoft's blog, starting March 1, 2022, Microsoft will update pricing for the following plans: "Microsoft 365 Business Basic (from \$5 to \$6 per user), Microsoft 365 Business Premium (from \$20 to \$22), Office 365 E1 (from \$8 to \$10), Office 365 E3 (from \$20 to \$23), Office 365 E5 (from \$35 to \$38), and Microsoft 365 E3 (from \$32 to \$36) . . . There are no changes to pricing for education and consumer products at this time."

T-Mobile reported that personal information from millions of current, former, and prospective customers was compromised, including "first and last names, date of birth, SSN, and driver's license/ID information." Compromised data may have also included phone numbers, IMEI and IMSI numbers, and prepaid customer account PINs. T-Mobile reset all of the affected account PINs, and recommends that all customers reset passwords. T-Mobile is also "offering two years of free identity protection services with McAfee's ID Theft Protection Service to any person who believes they may be affected" and "free scam-blocking protection through Scam Shield," which enables "anti-scam features such as Scam ID, Scam Block, and Caller ID."

Each high-profile data breach serves as a reminder to be extra vigilant for targeted

scam attempts. The Security Summit partners (a collaboration between the IRS, state tax agencies, and the tax community) recently urged tax professionals to watch out for signs of identity theft. Warning signs include: tax returns being rejected because the Social Security Number was already used on another return, more e-file acknowledgements than expected, unexpected IRS Authentication letters (5071C, 4883C, 5747C) even if the return hasn't been filed, or unexpected refunds, tax transcripts, or IRS online account creation or access notices. The Security Summit advises reporting data theft to your local IRS Stakeholder Liaison and the Federation of Tax Administrators (statealert@taxadmin.org).

The Security Summit also warned tax professionals to be wary of pandemic-related and spear-phishing scam attempts. One example given was the fake prospec-

tive client: "criminals posed as potential clients, exchanging several emails with tax professionals before following up with an attachment that they claimed was their tax information. This scam was popular as many tax professionals



worked remotely and communicated with clients over email versus in-person or over the telephone because of COVID." The scammer attempted to send malicious URLs or attachments containing malware. The Security Summit suggests following best security practices listed in the IRS's recently updated Publication 4557, Safeguarding Taxpayer Data. If you have any questions or comments, please call me at (808) 837-2517, or send e-mail to jtakaesu@thecpacollective.com.

In Memory Of
Michael McEnerney
1948 - 2021

Our sincere regret at the loss of a colleague, friend and member of the HSCPA since 1979. We wish to express our deepest sympathy to his family and friends.

HSCPA DEI CPA EXAM REVIEW COURSE ASSISTANCE



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- Not receiving financial assistance (for review course) from employer
- Be an Associate or Student member of the HSCPA
- Selection based on need, commitment to sit for the entire CPA Exam, overall commitment to becoming a licensed CPA professional
- Selection based on recommendation/approval from employer (Associate) or faculty (Student)

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Submit application to: info@hscpa.org

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Applicant Signature _____ Date _____

Faculty | Employer Statement:

I am a member of the HSCPA and/or employer or faculty member of the educational institution named above and Personally acquainted with the applicant and hereby recommend him/her for this review course grant.

Signature _____ Date _____



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