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Executive Director

Kathy M. Castillo

Administrative Assistant

Debbie Cortes

Graphic Design

Underwood Graphics underwoodgfx.com

Hawaii Society of CPAs

1000 Bishop Street, Suite 802
 P.O. Box 1754

Honolulu, Hawaii 96806

Tel: (808) 537-9475

Fax: (808) 537-3520

E-mail: info@hscpa.org

Website: www.hscpa.org

Directors • 2021 – 2023

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President's Message

By Ed Nakano

11 Ways Warren Buffet Lives Frugally (and me, too!)

I found the above-mentioned article written by Amanda Garcia very interesting and relevant to many wealthy individuals that I know who live frugally and comfortably. Ms. Garcia wrote that despite Mr. Buffet's \$105.6 billion net worth, according to Forbes, the sixth-wealthiest man in the world, he enjoys a life of simple taste, frugal living and generous philanthropy. Although I am not a billionaire like Warren Buffet, I realize that I too I do believe in and practice many of Warren Buffet's 11 frugal habits and also living comfortably with my simple lifestyle.

Following are the 11 frugal Buffet ways and how I have in some form or fashion embraced them:

1. Warren Buffet's House is the Same One He Bought in 1958

Mr. Buffet does not live in a mansion and has no plans to sell his home. He recommends purchasing a home LESS than one can afford, save toward retirement or vacations, fund the purchase with a 30-year mortgage and refinance when rates decrease by 2%.

My first home was a condo in Honolulu, which I sold two years later after getting married in 1976. I then purchased a home in Kaneohe, which I decided to sell after realizing that the location was not ideal for my family of five, which included my two daughters and my dad. I have lived in my current Aiea home for 36 years. I am content that I made the right decision in terms of location, price and design. To survive financially, I also

refinanced my current home four times with 30-year mortgages to fund automobile purchases, major home repairs and at the same time took advantage of lower interest rates, which were at 17% when I purchased my Aiea home.

2. Buffet Starts His Day with a Cheap Breakfast

While at home, Mr. Buffet starts his day with a trip to McDonalds by splurging on a \$3.89 bacon, cheese and egg biscuit sandwich. He also opts to eat cheap food when he's on the road, which includes a pack of Oreos for breakfast. He basically stuck to eating what he liked when he was six years old on the premise that based on actuarial tables, the lowest death rate is among 6-year olds.

My daily routine starts at 5:00 a.m. with several exercises and breakfast of half papaya, oatmeal and a cup of coffee. Perhaps not as inexpensive as Mr. Buffet's breakfast but for me, healthier and cost effective.

3. Buffet Buys Reduced Price Cars

Mr. Buffet purchases cars at reduced prices, which included those that had been damaged by hail and then repaired. Mr. Buffet drives only 3,500 miles a year so his new car purchases are very infrequent.

The last time I purchased a new car was in 1989 and when my two daughters reached the drivable age, I owned four used cars, all purchased from Hertz. These vehicles were recommended by Consumer Reports and had mileages within the three-year manufacturer's warranty. My recent vehicle purchases were gently used vehicles from friends who took good care of their cars. They are 16-, 7- and 6-year old models. I post all vehicle repairs and services on a spreadsheet to monitor recurring issues and ensure regular scheduled maintenance. To save on oil and preserve engine longevity, I purchase synthetic oils from Sam's Club or Walmart and provide them to the service repair shop.

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Continued on page 6

4. Buffet Enjoys Affordable Hobbies

Mr. Buffet enjoys playing Bridge, stumming his ukulele and singing.

My hobbies include monitoring my mod-est risk income-oriented investments, playing affordable sports like bowling, tennis, and most recently fast pitch soft-ball, karaoke, DIY projects at home and enjoying family time with my two daugh-ters' families and close friends.

5. Buffet Treats His Friends Well, But Not Extravagantly

Bill Gates, Buffet's long-standing friend, earned his gratitude not from grandiose and expensive gestures but simply how he treats others. Gates' examples of how Buffet is a kind and thoughtful friend include driving him personally to and from the airport whenever Gates was in Buffet's hometown, calling frequently and sending news clippings by mail that he thinks Gates and his wife will enjoy

I am blessed to have friends I have known since elementary school and through my 40+ years college and work career. I communicate, visit and share information with them and am actively in-volved with most of my class reunions as Treasurer and planner. On several occa-sions, as a gesture of appreciation, I paid for Vacations Hawaii Las Vegas trips for my key leaders at work. I also celebrate birthdays with a few of my coworkers and family with lunches or dinners and affordable gifts to demonstrate my ap-preciation for the relationships.

6. Buffet Used a Flip Phone Long After Smartphones Existed

Buffet held on to his Nokia flip phone for years and is now permanently gone. He likely won't be shelling out big money for the newest iPhone, even though he's now using an iPhone 11. He revealed in a February 2020 CNBC Squawk Box interview that he has been given several iPhones, including by Tim Cook.

I have purchased android Samsung phones at discounted prices from Sam's Club and on a discounted Verizon family plan. This android phone with guidance from my younger co-wordsers and daugh-ters have kept this "old geezer" relatively current with many practical applications.

7. Buffet Doesn't Splurge on Designer Suits

Buffet shuns high-end designer suits and exclusively wears suits created by a Chinese sewing entrepreneur named Madam Li, whom he met in 2007. His takeaway: "Opt for quality goods that will last you a long time, rather than buying something just be-cause it has a brand name attached to it."

When I started my audit career with Coopers & Lybrand in 1972, because of my diminutive stature, I had to pur-chase tailor made suits (made in Korea) from Andy Mohan, which coats still fit me. Thankfully, most workplaces now embrace the aloha attire and I have

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been very fortunate to have many high quality Reyn aloha shirts given to me as gifts. For my other clothing purchases, I have been able to find clothes I like from Amazon, Macy's sales and also Ross. I do my own laundry, hang them to air dry to ensure longevity and iron those with spray starch that require it.

8. Buffet Clips Coupons

Bill Gates recalled a trip he took with Buffet which he paid for their fast-food lunch with coupons.

While I do not normally cut coupons, I do use them if readily available. My wife and I purchase items on sale usually from Longs, Sam's Club and Walmart. I also use my veteran's discount at Lowes, Home Depot and at the PX, my Zippy's senior card and shop whenever possible on Senior Days.

9. Buffet Has Worked in the Same Office Building for More Than 50 Years

Buffet has remained in the same office building since he joined Berkshire Hathaway in the 1960s. He quoted on a CNBC documentary saying "We have 25 people in the office and if you go back, it's the exact same 25."

Although I have changed office locations three times, I have been employed at C S Wo & Sons, Ltd. for 43 years. I currently have three long-time leaders who have worked for me 30-40 years. I appreciate their work dedication and count my blessings.

10. Buffet Thinks Outside the Box to Save Money

In Roger Lowenstein's biography of the businessman, "Buffet: The Making of an American Capitalist," the author says that after Buffet's first child was born, he converted a dresser drawer into a space

for the baby to sleep instead of spending money on a bassinet. When it came to the family's second child, he borrowed a crib rather than buying one.

I am a practical DIY person and will re-search Morningstar for investments, Consumer Reports for big ticket items, and Google/YouTube, Yelp for consumer comments and DIY projects before purchasing items, services or performing repairs.

11. Buffet Values Relationships Over Material Things

Buffet explained at a 2009 Q&A session to a group of business students: "You can't buy health and you can't buy love. I'm a member of every golf club I want to be a member of [...] I'd rather play golf here with people I like than at the fanciest golf course in the world [...] I'm not interested in cars, and my goal is not to make people envious". His daughter Susie Buffet said of her father in 2017 "... it's really true that he does not care about having a bunch of money." Instead, she

said, he emphasizes family and knows everything about his grandchildren.

While I do not golf as much as before and am not a member of any club, but like Buffet, I prefer golfing with people I know well. As I mentioned earlier, I am blessed to have long time friends and family whom have helped me in my life journey and at the same time, reciprocate in whatever manner I can. My time and resources are spent mainly on my immediate family who are my wife, two daughters, their spouses and four grandchildren.

From my perspective, Mr. Buffet embraces the good four-letter word "SAVE". While these frugal Buffet practices may not appeal to everyone, they served me well. We can all learn from at least some of these Buffet frugal values we determine appropriate and ultimately enjoy financial stability.

Take care and be safe.



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Turn “The Great Resignation” Into “The Great Opportunity”

How Businesses Can Reboot Their Retention & Recruitment Strategies

By Steven Gaffney

Companies have been scrambling to hire, and the sudden gap has been given many different names.

Some are referring to it as a “labor shortage”, some are calling it “The Great Resignation”. The Atlantic had a particularly tongue-in-cheek take. A headline article in June proclaimed that “quitting your job is hot this summer”.

Regardless of what they call it, companies are in something of a panic. How do you replace that many workers when no one seems to want the job? More importantly, how do you keep from “leaking” more employees while you do?

To answer the last question, you have to look at why people leave their jobs. To answer the first, you have to look at why people love their jobs. When you do this, you can turn “The Great Resignation” into your business’s Great Opportunity.

Buried Costs And Hidden Impact

The stunning reality is this: When an employee leaves, it costs the company at least 1 times that person’s annual salary—and often up to double. The loss of just one worker causes a hidden domino effect of buried costs that directly slam bottom-line profits. But at most organizations, hardly anyone will notice. While companies spend most of their time worrying about small expenditures at the office, they fail to realize that losing one \$75,000-a-year employee could quietly cost them up to \$150,000.

Consider just a few of the wide-ranging, hidden costs that contribute to this astounding number:

- Damage to team morale and performance
- Lost prospects and customers
- Potential lawsuits
- Lost company and product knowledge
- Overworking of remaining employees
- Lost connections and experience
- Diminished work productivity
- Distraction from key business priorities
- Recruitment of employee replacements
- New-hire training and onboarding
- Management time diverted to new hires

WHEN A \$75,000-A-YEAR EMPLOYEE LEAVES

THEY COULD COST THE COMPANY UP TO \$150,000

Do the math, and you’ll soon realize that the loss of employees is costing you major revenues—and it’s only going to get worse. Saving just a couple of employees from leaving your company will more than offset any investment you make in strengthening your retention strategy.

As executives, it’s our job to focus on profits. If you can reduce the number of lost employees by just 1% or 2%, that’s a major cost savings for your organization. This is precisely why retention isn’t an issue to be relegated solely to HR. Instead, it’s an executive, strategic issue that’s critical to your company’s growth.

So, what’s the key to protecting your bottom line? Hint: It’s not salary and benefits.

Why People Leave Their Job

First, why do people leave their jobs? The short answer is they usually don’t. People rarely take jobs that they find absolutely no enjoyment or fulfillment in. There was something that brought them to the work itself.

So where’s the disconnect? Companies are missing their Great Opportunity in two places.

Number one: People don’t leave jobs, they leave people.

Employees leave bad teams, bad management, or bad policies. They’ll stay in the same kind of work, so the job itself isn’t the problem.

That’s kind of an old cliché, so take it further and deeper. Why do people stay in the job field?

People don’t leave jobs they love. Even if it wasn’t their childhood dream, even if they get other offers, people stay in jobs they love.

This means that people leaving your company is a solvable problem. There’s a simple solution for turning a crisis into a Great Opportunity.

Employees don’t leave jobs and people they love. Period. If you want to boost retention and recruitment while every other business scrambles

IS YOUR TEAM MILES AWAY FROM BEING A CHAT? We have a roadmap that has helped create and maintain CHATs for more than 25 years. Reach out if you want to get started.

for workers, you need to make people love your company.

There are 5 loves that every business should cultivate in 2021 if they want to thrive instead of just survive.

Love #1: Purpose and Impact

People love seeing the purpose and impact their company has on the world around them. Human beings have a natural desire to help people they perceive as being in need. When someone sees their job as truly helping the world, they wouldn't dream of leaving it.

This is something you see every day, but might not notice. Anyone who is truly, deeply passionate about their work will inevitably talk about the difference they see it making in their world. This is true of top tier teachers, chefs, scientists, athletes... the list goes on. They stick with their career through thick and thin because they see it making a difference.

When your employees can see the positive effects your company has on the world, they'll stick, too. Communicating your company's broader purpose and positive impact is critical during these changes in the job market.



ACTION TIP: Create a way for your employees to see the difference they're making.

This could be a presentation, email, break room flyer, or meeting topic. Talk about the problems the company was created to solve. Share customer or client reviews and situations that talk about how important your company was during a critical time. Most importantly, make this an ongoing conversation and encourage your employees to contribute.

Love #2: Distinction and Recognition

Helping out is a natural human tendency, but so is being special. This is a desire that's more present in your company than you realize. People don't just want to help, they want to be the heroes. They want to be distinct from others and part of the "in" crowd.

If you want to see retention rates improve, give that distinction and recognition to your employees. Make them feel like they're part of something unique and exclusive. This is something that can be present from the hiring process all the way through an employee's career.

However, treating them well is critical. Making your company seem special shouldn't sound like this: "You're lucky to be part of our team", "We don't usually offer

chances to join", "You shouldn't pass this up, you won't get another opportunity".

Not only do these statements sound critical and self-centered, they make you seem full of hot air, especially if you have multiple open listings. Instead, make yourselves special by focusing on what sets you apart from your competitors.

Doing this means the Great Opportunity can win you more customers as well as more employees. Even if someone doesn't make it through your hiring process, the sense that your company is special will win them over as a customer or advocate.



ACTION TIP: Treat your employees as well as you treat your customers.

You already spend time and energy telling your customers what sets you apart. Chances are, you aren't telling them that they're lucky you're helping them. Instead, you tell them what they'll miss out on when buying from a competitor. Treat your employees the same way. Don't tell them you're better. Show them.

Love #3: Colleagues and Teamwork

Close on the heels of helping others and being recognized comes teamwork. Humans are social animals. That means the chances of someone staying in a job where they feel isolated are slim to none.

Your company likely already has some sort of team structure in place. This is a great opportunity to re-examine it. How strong are your teams? What does a strong team look like?

First, let's look at what a weak team is. A weak team is a group of people loosely slapped together. They don't know or care about each other outside of the mandatory interactions they have. Their leader is someone they don't understand or believe in, and they feel forced to play along. They don't feel like their input is heard, wanted, or acted on.

These are the kinds of "teams" that send people running for the hills. A good team is none of those things. A good, strong team will keep people with their job because they genuinely like and trust their team. They know they can count on their colleagues when they're in a pinch.

More importantly than being a high performing team, is your team is a consistently high-achieving team (CHAT)TM? They get good results almost all the time, and in the rare times they don't, they know how to get there again.



ACTION TIP: Poll your team.

On a scale of 1-10, how close are they to becoming a consistently high-achieving team? What areas can they improve? After the poll, listen to their feedback and take action. This poll isn't about putting a band-aid over problems, it's about helping your team become a CHAT.

Love #4: Freedom and Empowerment

By this point, you're probably noticing a pattern. Each of the 5 loves people have for their job is connected to an intrinsic human desire. Love #4 follows the pattern. People want to be free and empowered. What does this mean for your company?

Watch out for micromanaging and focus on cutting the bureaucracy wherever you can.

People want to stay in a job where they can play to their natural strengths and talents. Being able to focus on their passion makes them feel empowered and content.

You know what kills that empowerment? Having someone looking over their shoulder while they work. No one likes to be micromanaged, and having to fight through layers of bureaucracy and approvals is even worse.

If you want to see both retention and productivity go up, let your employees do their jobs. They'll be happier to work with you and more will get done. This is because they know you trust them to do a good job. Trust is a key part of that feeling of freedom and empowerment you want them to have.



ACTION TIP: Evaluate your direct reports. Ask them if the 5 things that make people love their work are being addressed or needs met.

A common objection to loosening the reins is that people might abuse the lack of restrictions. If that's your worry, start with your high performers. Does someone who does their job exceptionally well have the exact same restrictions and supervision as someone who is new or performing poorly? If so, it's time for a change. After all, if you can't trust high performers to do their jobs, who can you trust? Your highest performers will also be acutely aware of the things keeping them in the job or leading them to look elsewhere.

Love #5: Vision and Future

Finally, people want to know there are good things in the future. People get married, move across the country, and spend years barely getting by, all because they like what they see as the end goal.

The Coronavirus pandemic threw this into sharp relief for many people. They realized they were underappreciated by companies that didn't even have a future for them. The time for

dead-end jobs is over. Your employees need room to grow. Don't worry, this doesn't mean trying to put everyone on a career track to become the CEO. While management opportunities can certainly play a role in growth, they aren't the sole way for people to grow. Education, opportunity to hone their skills alone or through mentorship, travel, and networking are all personal growth opportunities.

People don't just leave stagnant roles. They also leave stagnant companies. What is your company's vision for the future?

To put it another way, how would you respond in this scenario? You're interviewing a potential hire. When you ask about their 5 year plan for their life and career, they answer,

"Oh, I don't know. Just keep doing what I'm doing, I guess. I'm pretty happy with it, so I don't feel the need to change anything."

You probably wouldn't hire them, right? That blasé attitude is no more attractive to your employees than it is to you. Your Great Opportunity here isn't just for your employees, it's also a chance to breathe new life into your company.



ACTION TIP: Action Tip: Hold your company to the same standards that you hold your employees.

Besides just a plan, figure out what your company's "North Star" for growth is. Include these things in the ongoing conversation you have with your employees. In addition to growth goals, hold your company in general to the same standards that you hold your employees. You'd drop an employee who can't deliver as promised, or who didn't have good communication skills. Hold the company as a whole to the exact same standards. Does your company have an exciting future? Does your company's future excite your employees?

Rebooting Retention and Recruitment

As you've likely noticed, all of these loves are closely interwoven. You can't have one without the others. Even if you somehow had the world's best purpose and impact, if your employees are micromanaged and isolated, they'll leave anyway.

You expect your employees to get better at their job year over year. The so-called "great resignation" is employees holding the same measuring stick to the companies they work at. Unfortunately, too many companies didn't measure up, and employees left.

If your company does measure up, two big things will start to happen. Your retention rates will soar and recruitment will be a breeze. That's because people want to stay at jobs they love, but they also want to refer people to jobs they love. When you do have roles open, you'll have friends and family of your

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MICROCOMPUTER TECHNOLOGY

By Joy Takaesu of The CPA Collective

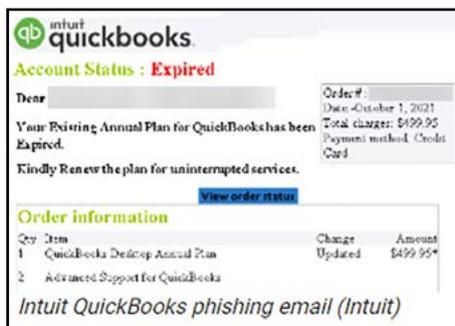


Intuit warns customers of a phishing email crafted to look like an expired QuickBooks Desktop renewal notice. The impostor email may include the QuickBooks logo, and the email may come from a “look-alike” email address that looks similar to Intuit’s domain, but belongs to the scammer. The email claims that the QuickBooks account is expired and instructs the recipient to renew.

Intuit has also previously issued security notices warning of a fake QuickBooks 2021 update email, and a fake payment email claiming that “Your last Deposit [sic] could not be completed.” Intuit cautions that these emails did not come from Intuit or any authorized agents, and are not legitimate. Intuit recommends avoiding clicking on any suspicious links or attachments. Instead, delete the malicious email.

Intuit also announced plans to offer two-way syncing between QuickBooks Online (QBO) Advanced and Excel starting in early 2022. Intuit has recently added

QuickBooks integrations with other companies such as DocuSign, Bill.com, HubSpot, and LeanLaw. The upcoming Excel integration will allow customers to automatically sync data between Excel and QuickBooks Online, but only for QBO customers on the Advanced plan (\$180/mo. retail price).



Microsoft plans to disable Excel 4.0 XLM macros by default for Microsoft 365 users. The legacy Excel 4.0 XLM macros were superseded by Visual Basic for Applications (VBA) macros decades ago. Excel macros have long been abused by malware creators to hide malicious code. VBA macros are scannable via the Antimalware Scan Interface (AMSI), which allows antivirus software to scan the macros.

Microsoft recently tried to mitigate the risk by offering AMSI for Excel 4.0 XLM macros as well, but Microsoft has recommended disabling XLM macros entirely using group policies. Later this year, Microsoft will take the next step by automatically disabling XLM macros by default.

Microsoft also announced plans to disable Basic Authentication for Exchange Online starting October 1st, 2022, in favor of Modern Authentication. After that, users will need to use mail clients that support Modern Authentication, such as Outlook 2013 (with Service Pack 1) or later, Outlook Mobile, or webmail.

Microsoft will start the transition process in early 2022 by temporarily disabling Basic Auth for selected tenants. Microsoft had postponed its earlier plans to disable Basic Authentication for all tenants due to the pandemic.

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

co-workers already lined up to see what all the fuss is about, cutting your recruitment time and effort significantly.

There has truly never been a better time to reboot your retention and recruitment strategies. If you do, the “great resignation” can be your great opportunity to steal top tier talent.

Steven Gaffney is a leading expert on honest, interpersonal communication, team performance, leadership, and change management. He has worked with numerous Fortune 500 organizations to increase revenue and drive profit, as well as with many governmental agencies to better allocate resources and taxpayer dollars. Thousands credit Gaffney's seminars, media appearances, books, and products with making immediate and lasting changes in both their organizations and personal lives. He is also the author of two groundbreaking books, Just Be Honest and Honesty Works, and the coauthor of Honesty Sells. For more information on Steven Gaffney, please visit www.stevengaffney.com.

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CONTACT CAMICO

Harris Hauptman, Senior Account Executive

T: 800.652.1772 Ext. 6727

E: hhauptman@camico.com

W: www.camico.com

KALA NOVEMBER 2021

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Disrupt Yourself or Someone Else Will

By Jim Boomer of Boomer Consulting, Inc.



Every accounting firm leader has a choice right now: disrupt yourself or let someone else do it. Yet

for many, the word disruption feels too radical. In many cases, they're more successful than they've ever been before, so the natural question is, why change?

It's a valid question, and my answer is you don't have to change. But change is happening, so you can decide when and how your firm will change or simply be along for the ride.

Trends driving disruption

The impact of disruption is much greater today than it was just five to ten years ago. Massive technological trends and

shifting client expectations demand a new approach to how we create value for clients.

The services that may have generated the most revenue for your firm historically (transactional and compliance services) are more vulnerable to disruption than others due to automation, big data, the Internet of Things (IoT), blockchain, and the cloud.

Firms that learn how to leverage these technologies, offer expert insight and advice, and strengthen client relationships will access the greatest opportunities.

Disruption beyond technology

Technology is omnipresent in an accounting

firm. So when we think of disruption, we automatically think about technology. But disruption isn't just about technology. It's much more — your whole business, in fact.

Leadership

Firm leaders must agree on a vision of what the firm wants to be, do, have, create and experience in the next few years. Without a shared vision, alignment and a structure for accountability, firms will struggle to remain relevant and provide value to clients.

Remember, firm leaders aren't the only ones who can drive innovation in the firm. Innovation must be the responsibility of everyone in the firm, but it does require structure and buy-in from leaders. So, listen to their ideas and empower your people to be innovative and disrupt your firm and business model.

Process

To take advantage of innovative technology, you need to optimize and improve your processes. Shoving new tech into old processes creates inefficiencies, headaches and increased costs. What's worse, people often blame technology when their outdated processes are the root of the problem.

You cannot automate inconsistent processes, so eliminate personal preferences in favor of firm preference. And keep in mind, compliance services aren't the only areas of opportunity for disrupting your processes. Think about other areas, such as billing, purchasing, client and employee onboarding, advisory services and more.

Growth

Within the next few years, a majority of

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revenue in the accounting profession will likely come from services many firms aren't currently offering. If you haven't already, identify your niche specializations and start looking for ways to provide a larger number of advisory and consulting services to a smaller pool of clients.

Upskill your people to help them become comfortable having sales conversations with clients. For many accountants, the word "sales" is the stuff of nightmares. But having sales conversations with clients simply means learning how to better listen to clients, ask questions, understand their problems, identify potential solutions and see the success they will experience by working with you.

Talent

We're all used to firm hierarchies shaped like triangles with a few partners and C-suite executives at the top and lots of staff members and interns at the bottom. But we're headed towards firms that will be shaped like diamonds, with a larger number of mid-level leaders and managers in the middle and much of the lower-level work being outsourced and automated.

How are you preparing your team members for this future? The profession has been dealing with a talent crisis for a long time. Many accounting graduates are choosing not to go into public accounting, and experienced people are leaving the profession searching for greater work/life balance and flexibility.

Every firm needs to consider how they'll attract, retain and develop the talent they'll need in the next several years. This requires addressing performance management, compensation, flexible and remote work options, career paths, learning and development and diversity initiatives.

Disrupting yourself is challenging, but it's necessary if you want to choose your

firm's future rather than having a sub-optimal future selected for you.

Do you need help developing a roadmap for the future?

The [Boomer Strategic Planning and Visioning](#) process helps firms build consensus and alignment account their vision, strategic objectives and measurements. [Complete an interest form](#) today so you can start taking the most direct path to achieve the results you want.

Jim Boomer, CEO of Boomer Consulting, Inc., is an expert on managing technology within an accounting firm. He serves as the director of the Boomer Technology Circles, The Advisor Circle and the CIO Circle. He also acts as a strategic planning and technology consultant and firm adviser to CPA firms across the country.

Upcoming Webinars



Accounting & Auditing Update

Friday, November 5, 2021
8:30am – 12:00pm HT



Internal Controls: Testing and Communicating Deficiencies

Wednesday, November 10, 2021
8:30am – 12:00pm



FAQ - Audit Issues

Friday, November 12, 2021
8:30am – 12:00pm



New Business - Advising Clients on Related Tax Issues

New Business - Advising Clients on Related Tax Issues

Tuesday, November 16, 2021
8:30am – 12:00pm



Adding Value for Clients via Retirement Programs

Adding Value for Clients via Retirement Programs

Tuesday, November 23, 2021
8:30am – 12:00pm

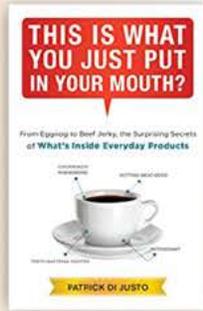


Norman's Book Review

“This Is What You Just Put In Your Mouth?”

by Patrick Di Justo

If you were a Wired magazine subscriber back in October 2006 – October 2013, you would recognize the author and contents of this book. Almost monthly, one page of the magazine was devoted to the ingredients of everyday household products and goods.



It was based on “interviews with scientists, doctors, inventors, food manufacturers, product marketers, etc.” A fun fact is the inspiration for the book came from a Super Bowl party in the early 2000s with his buddies and a drunk friend picked up a can of Kraft Easy Cheese and asked, “Did you ever, like, really wonder what’s, like, really in this?”

The book covers 26 items you put in your mouth, and 24 items you don’t put in your mouth. Below covers some of the things from each category that I thought you would be interested in and would give you a feel of the book. On a sad note, while trying to learn more about the author, I discovered he suddenly passed away this past September after experiencing complications from a medical procedure two weeks earlier. From what people posted on the author, he was a very nice, helpful and fun-loving person who will be missed.

Coffee

A morning staple of practically every CPA is a good cup of joe. It contains the following 11 ingredients:

Caffeine – It keeps you awake because it blocks the sleep chemical adenosine. It is also a diuretic, so new coffee drinkers use the bathroom often. Regular coffee drinkers build up resistance.

Water – It makes up 98.75% of a cup of coffee. It leaches flavors and oils out of the coffee bean.

2-Ethylphenol – This gives coffee its tarlike, medical odor.

Quinic Acid – This gives that “sour coffee” burn in your stomach.

3,5 Dicafeoylquinic Acid – This helps to protect your cells from free-radical damage.

Dimethyl Disulfide – It is a natural product of roasting the green coffee beans. It is barely detectible, which is a good thing because it is one of the compounds that gives human feces its odor.

Acetylmethylcarbinol – This gives coffee its rich, buttery taste. It is also a component of the artificial flavoring in microwave popcorn.

Putrescine – It is naturally present in coffee beans. Unfortunately like the word sounds, it doesn’t smell very good.

Trigonelline – This gives coffee its sweet, earthy taste. It also helps to prevent tooth decay.

Niacin – Aka vitamin B3. Two or three espressos provide half of the recommended daily allowance of vitamin B3.

Theophylline – It is a mild stimulant and muscle relaxant. It is also used to relieve the symptoms of asthma, bronchitis and emphysema. A downside, however, is it can react badly with some antibiotics.

Red Wine

Not surprisingly, “wine has many fantastic ingredients – the author counted at least 70 specific ingredients in 14 major molecular groups.” Due to space limitations, he tried to include one ingredient from each group. The following are the ingredients covered in the book.

Ethanol – This toxin is excreted when microorganisms eat sugar and rearrange the atoms.

Glycerol – This is a syrupy sugar alcohol, which is a by-product of ethanol.

Tannins – This is what makes your mouth feel drier than it should feel like when it’s full of liquid. These bitter, astringent molecules are found in dark grape skins and in the oak barrels used to age fine wine.

Malvidin 3-Glucoside – It puts the red in red wine.

Catechin and Caffeic Acid – These are antioxidants found in grapes. Together they prevent bodily damage from ionizing radiation.

3-Isobutyl-2-Methoxy-Pyrazine – This gives Cabernet Sauvignon its herbaceous green pepper aroma.

Tyramine – This is what causes a throbbing headache if you get one from drinking too much wine. You’ll absorb less tyramine if you have food in your stomach. It is also found in cheese.

Malic and Lactic Acids – Wine makers have to strike a delicate balance between these two acids. Too much malic acid gives wine a harsh “green” taste, while too much lactic acid can give wine a sauerkraut flavor.

Resveratrol – It is a highly touted antioxidant. However regular consumption of resveratrol can bring on anemia.

Cool Whip

A staple in many refrigerators and family parties is a tub of Cool Whip. It's light and tastes great, but what's in it?

Water – This is the main ingredient. The author notes however, that since it's a whipped product, it contains a high percentage of air also.

Natural and Artificial Flavorings – What gives Cool Whip its subtle taste? It's a trade secret.

Corn Syrup and High Fructose

Corn Syrup – These are essentially sugar which gives Cool Whip its sweetness.

Hydrogenated Coconut and Palm Kernel Oil – This gives Cool Whip its whipped cream feeling in your mouth without being made with cream.

Polysorbate 60 – No reason given.

The author notes this is also a major ingredient in some sexual lubricants.

Sodium Caseinate – This helps oil and water mix. It is also common in powdered nondairy creamer.

Sorbitan Monostearate – It helps to keep Cool Whip from turning to liquid over time in the fridge. It is also sometimes used as a hemorrhoid cream.

Xanthan and Guar Gums – These are natural thickeners. Guar also helps Cool Whip maintain its whipped fluffiness.

Flu Shot

Most of us annually take a flu shot without much thought as to its ingredients. So you never have to wonder, the author provides the following for us.

Hemagglutinin (45 Micrograms) – This is the essence of the vaccine. Also known as HA, when it is injected into your arm, your immune system goes to

work creating hemagglutinin antibodies to fight the flu virus, without running the risk of getting sick with the flu.

Sodium Chloride (4.1 Milligrams) – Table salt.

Ovalbumin (less than 1 Microgram) – Egg whites! The year's expected flu strains are injected into a fertilized egg, incubated, then the virus-laden egg whites are harvested, purified and mixed with other flu strains.

Polymyxin B (Less Than 0.5 Nanograms) – This is an antibacterial compound that kills germs in the flu shot development process.

Neomycin Sulfate (Less Than 3 Nanograms) – This keeps the vaccine uncontaminated by bacteria, like polymyxin.

Spam with Bacon

Since Hawaii leads the world in Spam consumption per capita, it's only fitting to include it in the book review.

Pork with Ham – According to Hormel, the pork in Spam is usually chopped shoulder meat. What gives Spam its long shelf life is that the raw pig flesh is vacuum-sealed in the can and cooked for three hours.

Modified Potato Starch – This keeps the Spam juicy and helps Spam maintain its unique texture.

Sodium Nitrite – This adds flavor, gives Spam its pink hue, and inhibits the bug that causes botulism.

Salt – It is used to preserve the meat.

Dextrose – This gives Spam its appealing light brown color when cooked.

Note that if corn syrup was used the color would be black.

Sugar – This is mainly included for flavor. Why? The combination of fat, salt and sugar stimulates the brain's dopamine and opioid circuitry – the same sites that narcotics stimulate. That's why we can't get enough of Spam!

INCREMENTAL MATURITY

BY NITIN BHARJAWA, CPA, CFE



"I DON'T THINK THE PRESIDENT'S PROPOSED TAX PLAN IS THE PROBLEM."

Bacon – Practically everyone loves bacon. Per the USDA, bacon is "the cured belly of a swine carcass." Ewe ... bacon sounds better!

Summary

If you are the type that likes to read labels and know what's in products and goods, then this is the book for you. If you love chemistry, then you will also like the book. Honestly, I was somewhat hesitant to read the book because while I like knowing things, sometimes it is better not to know. I'm really glad I read the book because I came away knowing why things need certain chemicals so we can consume or use them, how large companies like to "spin" information, and how there are still honest people in the world. The side bar information comes from when the author covers the "backstory" of a product in the book.

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Gross revenues shown: Kahului CPA \$230K, Honolulu CPA \$1,340,000, Kamuela/Waimea Area Tax & Bookkeeping \$250K; Kauai Island CPA \$100K; Kailua/Maui/Honolulu CPA \$530K; Honolulu CPA \$282K. For more information, please call 1-800-397-0249 or visit www.APS.net to see listing details and register for free email updates.

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TAX FOUNDATION OF HAWAII

Hawaii's Watchdog on Taxes & Government



By Tom Yamachika

The Perils of Being a Watch Doggie

The story you are about to read is true. The names have not been changed to protect the innocent. This is the city: Honolulu, Hawaii. I live here. I'm a doggie.

This is the Case of the Persecuted Watchdog.

A few months ago, the Boss wrote an article called, "[State Auditor Facing a Whack Job?](#)" The article spoke of an apparent feud between the Speaker of the House and the State Auditor, and of a report that a committee organized by the Speaker put out that tried to cast doubt on the Auditor's competence.

We also spoke of a [House special investigative committee](#) that was formed to look into some unflattering things the Auditor found at the Department of Land and Natural Resources, and at the Agribusiness Development Corporation. According to [House Resolution 164](#) that established the committee, the purpose and duties of the investigating committee were to follow up on the audits, to examine the recommendations made, and for "purposes of improving the operations and management of these state agencies, their funds, and any other matters."

But, as [Honolulu Civil Beat reported on Thursday October 21st](#), the Auditor seems to be in the crosshairs of the investigation as well. The committee voted to subpoena Edwin Young, the former auditor of the City & County of Honolulu, ostensibly to talk to the committee about federal Yellow

Book standards on auditing. This riled Rep. Dale Kobayashi, who observed that Mr. Young chaired the Speaker's committee "to go after the auditor." The committee also voted to subpoena one Randal Lee, who wasn't involved with DLNR and ADC at all but who was a consultant to the State Auditor for an audit of the Honolulu rail project. Kobayashi wondered aloud what Mr. Lee had to do with the audit findings regarding DLNR and ADC, and suggested that the committee obtain an opinion from the Hawaii attorney general as to whether the committee was acting within its proper scope. Rep. Della Au Bellatti, the committee chair, pointed to language in the authorizing resolution (quoted above) arguably allowing it to look into "any other matters."

We share Rep. Kobayashi's concern that the House investigation is going off track. The law requires that the resolution establishing an investigating committee state the committee's purposes, powers, duties and duration, as well as the subject matter and scope of its authority. It's tough to conclude that those three words, "any other matters," give the committee unlimited scope and authority to do whatever the heck it wants.

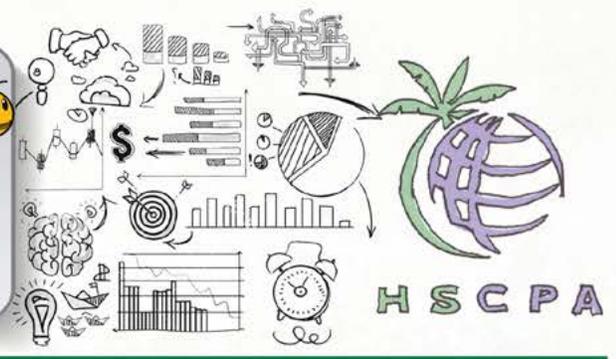
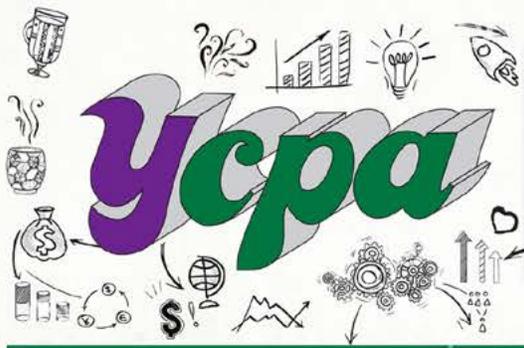
Let's face it. Watchdogs are there to find things that certain people don't want to be found. When those things are found, those people are unhappy and might want revenge on the watchdog.

Watchdogs are very useful to society. That's why I am one. But no watchdog expects to be everyone's friend. Each one has enemies, some more powerful than others. When the Tax Foundation [sued the State over the excessive "rail skim,"](#) for example, certain politicians vowed that the Foundation would never get one cent from the Legislature in state aid. (We wouldn't take it anyway.)

To survive, watchdogs have to watch out for each other. If one gets beaten up, none of us are safe. That is why we are very concerned about the sudden turn in the House investigation, and we think any citizen who values honesty and transparency in our government should be concerned too.

This is a true story. The end of the story has not yet been written. We too will be following the investigation, or trying to, and will continue to bark like crazy if it keeps going off track. Ours is a tough job but someone has to do it. The name's Watch Doggie.

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.



Spotlight on Scholarship Recipient Elizette Pinter

By Adrian Hong



I continue to be grateful for all that the accounting profession has given me. I've been fortunate to have had well-paying jobs that challenged

me and opportunities that I've never dreamed of. To give back to the profession that have given me (and continue to) so much, I created a scholarship that supports UH West Oahu accounting students taking the CPA examination. The purpose is to provide accounting students the same opportunities I had through my journey. The following is an interview with one of the recipients of the scholarship, Elizette Pinter, highlighting what the scholarship and the profession have done for her.

AH: How did the scholarship help you?

EP: The scholarship helped me pay for the cost of the exam.

AH: Which sections of the exam have you completed?

EP: I have passed the FAR and REG sections.

AH: What would you tell students preparing for the exam?

EP: I would tell them to keep going and to focus. It's very easy to get distracted and to give up, especially because of the insurmountable amount of information that we have to learn. But, there's really no shortcut. We have to do the work and put in the time.

AH: Are you working in the profession or still studying?

EP: Both. I started working full time in January. Since the busy tax season is over, I am now starting to prepare for the BEC and AUD sections. My goal is to complete those by the end of the year. I am a staff accountant at MC Group Hawaii, Inc., focusing on taxes.

AH: What have you learned working in the profession?

EP: In the past 6 months that I've been working in the accounting field, I learned that just when you think you already learned a lot, there is always, always more to learn. My boss and my co-workers really taught me a lot. I learned the value of research. When I started working, if there was a unique tax situation that I hadn't encountered before and had no idea how to report it, my initial reaction was to ask the managers. But, they really encouraged me to research it first, to read about it, to interpret it, to gain a better understanding of that topic. And that is what excites me in this field - I enjoy learning more about it.

AH: What do you like about the profession?

EP: What I like about the profession is that it is adaptable and stable. It is adaptable to changes - in technology, society, laws, etc. It adapts to improve.

But no matter the changes in the world, accounting is a stable profession.

This proved true during the pandemic because when people struggled with unemployment, I was able to find a full-time job.

AH: What had you wished you knew coming into the profession?

EP: I wish I knew that an accountant works long hours, especially during tax season. I never had a full-time job before (only part-time jobs with flexible hours) and I was doing my classes mostly online so I was very used to having control of my time. So, when I started working and when tax season started, it was crazy and it was definitely a big adjustment for me.

AH: What would you tell high school and college students considering a career in accounting?

EP: To the high school and college students interested in the accounting field, my advice would be to build a strong foundation and background in accounting through college courses, internships, networking, and any other avenue of learning available. Whatever happens after you graduate, whichever field/specialty you wish to focus on, or whichever firm you choose to work in, if you have that strong foundation of accounting concepts under your belt, it will be easy for you to find your feet.



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