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H S C P A

Hawaii Society of
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President's Message

By Ryan K. Suekawa

Continuing Education

Happy New Year, everyone! This is the first KALA article of 2023. I hope the first few months of your 2023 are off to a great start. A new year brings lots of new opportunities, new hopes, and a fresh start. A new year also brings ... Continuing Professional Education (CPE) requirements, many which you can find [here](#) – live virtual, webinars, webcasts and self-study.

With our hectic schedules, working toward deadlines, serving clients, taking on new projects, stuck in traffic, or juggling family life, it's hard to find time to maintain your CPE requirements. With that in mind, I wanted to highlight some CPE sources that will hopefully help you obtain your annual CPE requirements and also keep you up to date with the latest subject matters.

Please note that a minimum of 20 hours of CPE must be earned EACH YEAR for the permit to practice. The 80 hours shall have been earned within a 24-month period, with a minimum of 20 hours earned within each calendar year.

HSCPA – The HSCPA is constantly offering webcasts and virtual sessions through high-quality vendors. Emails are sent directly

to your email account you registered with HSCPA. We also list these CPE classes on the HSCPA website and update them regularly. Check out the short 1- and 2-hour webinar offerings on page 13 in this issue. Here are a few upcoming sessions to mention:

- [ESG – What's That and Why it Important for CPAs](#) – April 25, 2023
- [Income Taxation of Trusts and Estates – Planning and Compliance](#) – April 27, 2023
- [Employee Benefit Plans – Auditing Significant Areas](#) – May 10, 2023

AICPA – The American Institute of Certified Professional Accountants (AICPA) doesn't just serve accountants in public accounting. The AICPA serves its members in public accounting, like auditing, tax, and advisory services, and also serves members in business and industry, or management accounting.

The [AICPA's CPE](#) topics are relevant to trends affecting the entire accounting industry and in looking at upcoming courses include topics tailored for tax updates, a series of sessions for controllers, leadership course on company culture, and technical financial reporting topics like revenue recognition.

Lastly, keep in mind that 2023 is an ethics CPE requirement year for those seeking to maintain their Hawaii CPA license. The HSCPA will be hosting several ethics sessions throughout the year, with the popular in-person ethics at the [2023 Annual Conference](#), so please mark your calendars for Friday, November 17th at the Prince Waikiki.

Thank you all, and hope your 2023 is off to a safe and healthy start!

In Memory Of
Lee W. Erwin
1945 - 2022



Our sincere regret at the loss of a colleague, friend and member of the HSCPA since 1973. We wish to express our deepest sympathy to his family and friends.



CPA FIRM



MICROCOMPUTER TECHNOLOGY

By Joy Takaesu of The CPA Collective



If you use Microsoft Office, you can customize the Quick Access Toolbar at the left top of each program. Adding icons to the Quick Access Toolbar for frequently used items can save time drilling down into menus to find the setting you want. The toolbar can also allow you to still quickly access menu items if you keep the Ribbon collapsed (you can press Ctrl+F1 to toggle the Ribbon). To edit the Quick Access Toolbar, click the down arrow icon, Customize Quick Access Toolbar, More Commands.

Under “Choose Commands From,” you can click on the dropdown to see a list of Popular Commands, only the commands that aren’t already in the Ribbon menu, or View All Commands. To add a

command, click on it, then click the Add button. For example, in Excel you could add icons for adding or removing an entire row or column, Freeze Panes, Sort & Filter, Convert Text to Table.



There are also a few legacy options, like Excel’s “Share Workbook (Legacy)” command, which allows you to choose to “Use the old shared workbooks feature instead of the new co-authoring experience.” This option lets you use the old Shared Workbook feature that is usually greyed out in certain versions of Office. The co-authoring option is only available for those with Microsoft 365. There is

also an “Options: Quick Access Toolbar” command you can add to the toolbar to quickly access the customization window.

You can check the box next to “Show Quick Access Toolbar below the Ribbon” to bring the toolbar down lower, underneath the Ribbon menu. In the right Customize Quick Access Toolbar panel, you can click the up and down arrows to reorder the icons. You can also reset the toolbar to default, or export your settings so that you can import them on another computer.

Each program (Excel, Outlook, Word, etc.) has its own customized menu, and the commands vary. To quickly remove a command from the toolbar, you can right click the icon and choose Remove from Quick Access Toolbar. Once the toolbar is organized the way you want it, you can use keyboard shortcuts to execute the commands by pressing the Alt key and then the number corresponding to the command.

You can also customize the Quick Access Toolbar in Windows File Explorer. For example, to add a Quick Access icon to resize all columns to fit: Open a File Explorer window, then go to View, right click on the “Size all columns to fit” button, and choose Add to Quick Access Toolbar.

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



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Talent Crisis? Pipeline Acceleration Plan

The accounting profession is grappling with a talent shortage. Many professions are facing the same issue, driven by factors including shifting workforce demographics and rising education costs. But sharing the problem doesn't lessen the pressure.

Clients ranging from governments to nonprofits to small businesses and beyond rely on CPAs to perform critical work. Ensuring that a steady supply of qualified accountants is ready to meet the demand is essential. Meaningful, quick action is needed.

The Hawaii Society of CPAs, along with other state CPA societies, the AICPA, firms, academia, state boards of accountancy and their organizing body, the National Association of State Boards of Accountancy (NASBA), and others are working together on profession-wide, multi-stakeholder efforts to attract students to the accounting profession, prepare them for licensure, and ready them for careers in accounting.

AICPA's intent is to offer solutions in areas including attractiveness of the profession and the cost and time for licensure. The AICPA is also calling on firms to ensure that work is both welcoming and rewarding for all.

Here's an overview of the Draft Pipeline Acceleration Plan:

- AICPA-NASBA Experience, Learn & Earn Program (ELE). The initiative blends work, experience, and online courses for the final stretch of credit hours and a focus on licensure. The AICPA and NASBA program would provide university students on a CPA career pathway an opportunity to work at a firm and gain a mix of work experience, study time, and affordable college credit hours. Students will be eligible after completing a bachelor's degree and core accounting courses and before achieving 150 credit hours of education. The program is not an internship or an apprenticeship. The graduates are first-year staff with a reduced workload and time

to complete the additional credit hours they need to reach the 150-hour requirement. CPA firms of any size and practice type could choose to recruit entry-level hires into the program.

The program's online learning will be priced at or below the average cost of a community college credit. It will be customizable to the number of credits students need, since many students graduate with more than 120 credit hours. The courses will be based on skills and competencies needed by first-year staff.



The program will launch as a pilot in Fall 2023 with up to 1,000 students and a single university partner to allow for a rapid start and needed testing of the model. Proposals from universities interested in the next phase will be sought this summer. Outreach to firms about participation is beginning now.

- Highlighting success stories. This awareness campaign will focus on how the additional 30 credit hours required for licensure can best be used to increase career readiness. Firms of all sizes told the AICPA in a recent survey what the key first-year skills and competencies are. Their responses are helping define the ELE Program coursework while

also informing this awareness campaign. The campaign will also do some myth-busting around the 30 hours of education needed to become a CPA.

- Addressing the 18-month exam window. Qualified candidates may be unable to complete all four parts of the exam within 18 months for numerous reasons. Working with NASBA, the AICPA is exploring what changes are needed to keep students progressing to licensure while ensuring the window isn't shutting out qualified candidates. NASBA is exposing a proposal that will be a guide for state boards to extend the exam window to 24 months. The proposal also provides greater clarity on a state board's authority to allow additional time to candidates.

Comments and recommendations on the proposal can be sent to the NASBA Uniform Accountancy Act Committee via uaacomment@nasba.org by April 17, 2023.

- Tackling inconsistencies in state licensure pathways. When inconsistencies in state regulations result in candidate confusion and frustration, we all lose. Minimizing unneeded differences in requirements will smooth out bumps in the journey to licensure. The AICPA completed state-by-state research in January that revealed differences in experience requirements, as well as requirements for recommendation letters and candidate submissions of experience “portfolios.” Collaboratively, stakeholders will assess these identified differences, and jointly develop an action plan for 2024 state legislative sessions (and beyond) to tackle either regulatory changes, legal changes, or both.
- Revving up high school and college efforts. Accounting stakeholders are working to spark a new era of engagement with students about the opportunities and value of a career in accounting.

The AICPA is developing a high school education strategy that includes dual-credit course options that allow high school students to earn college credit and is also researching an AP accounting course. The goal of the strategy will be to raise awareness and interest in accounting and the CPA profession while streamlining the educational process.

To maximize ongoing communications, the AICPA will leverage recent Center for Audit Quality (CAQ) research for improved messaging to students and teachers promoting accounting and the CPA profession. This includes developing an awareness campaign strategy that messages students directly and promotes accounting and the CPA profession. This work will align with the CAQ-led Accounting+ initiative.

At the college level, the AICPA’s 2023 plan includes strategy development in three key areas:

- Improving the curriculum and delivery of Introduction to Accounting courses
- Providing relevant information and resources to inform teaching and research
- Promoting accounting and the CPA profession to online

universities, Historically Black Colleges and Universities (HBCUs), Minority Serving Institutions, and their students

- Win STEM recognition for accounting. Interest in professional careers starts with exposure and awareness. And one fact that may surprise and intrigue the next generation of the workforce is that the accounting profession is increasingly about technology. The AICPA and state CPA societies are working diligently to win recognition of accounting as a STEM field under the technology banner. Legislation introduced in 2021 would allow STEM K-12 grant funding to be used for accounting awareness and education, with a focus on increasing access to underrepresented groups.
- Shift AICPA Foundation funding to focus on CPA candidates. The AICPA Foundation has agreed to shift its focus to students who plan to pursue CPA licensure or those who are currently CPA candidates. An estimated 61% of grants and scholarships are expected to go to diverse populations. When viewed collectively, the combined giving of the Foundation, state societies and firms is helping to make the pursuit of a CPA more affordable for more candidates.
- Engage the system of stakeholders in solutions. The CPA pipeline decline is the result of many factors, ranging from lower college enrollment and higher costs to the expense of exam preparation to the disconnect of starting salaries from new market realities. The AICPA is calling on all stakeholders to assess and address the environmental forces deterring individuals from pursuing a CPA career. This includes meetings between AICPA leaders and regulators this spring, and a continued dialog with firms about the need for evolving their business models and heightening their attractiveness to young talent.

While there is no silver bullet for solving the talent shortage, this package of initiatives is designed to better position students and the system for success, through the collaborative work and input of key stakeholders, including the Hawaii Society of CPAs.

This plan will continue to grow and evolve through this phase of ongoing discussion, and implementation will become even more impactful through input from key stakeholders. The best steps to solve the profession’s talent shortage are steps we take together.

Promoting the Profession to All Ages!

Something we all can do together – promote the accounting profession! There are many activities throughout the year where we have the opportunity to get students excited about this great profession – not only promoting accounting as a career path, but also to facilitate financial education.

Some of the many activities we're involved in are:

- **Meet the Pros** – a college student/professional networking event
- **Junior Achievement Day** – volunteers “teach for the day” at Ma’ema’e Elementary’s second grade classes
- **College and high school presentations** – CPA Exam, interview skills, Why Accounting?, etc.
- **High school career fairs** – a great avenue to share a profession with endless opportunities
- **Department of Education’s DECA Career Conference** – professionals get to engage high school students in the profession
- **Accounting Opportunities Week** – volunteers made career awareness presentations at high schools
- **Various community service interactions with college students** – Ala Moana beach clean-up, Family Programs Hawaii – network with students and promote the profession while giving back to the community
- **Mentoring Farrington High School** students with their business projects



Darryl Nitta at Ma'e ma'e Elementary



Katie Landgraf at Ma'e ma'e Elementary with 2nd graders



Darryl Nitta and Trisha Nomura with 2nd graders



DoE DECA Conference

Thank You!

Thank you to our recent volunteers at Ma'ema'e Elementary: Kathy Fan, Jill Ishimitsu, Katie Landgraf, Momi Morgan, Darryl Nitta, Trisha Nomura, Dean and Yumi Ueda.

The HSCPA is always seeking energetic and passionate volunteers to promote the accounting profession.



1- and 2-hour Webinars

- April 25** [ESG – What's That and Why is it Important for CPAs?](#) (1 CPE)
- April 26** [The CPA Firm Super Session](#) (1 CPE)
- May 22** [Analytical Procedures for Reviews and Audits](#) (2 CPE)
- May 31** [SSARS 25 – What You Need to Know](#) (2 CPE)
- June 7** [How ESG Reports Can Help with Recruitment & Retention](#)
- June 8** [Understanding Your Cybersecurity Tech Options: How Non-Techies Can Mitigate Their Malware Risks](#) (2 CPE)
- June 20** [Proven Strategies to Leverage Automation & Outsourcing to Reduce Your Accounting/Tax Workload](#) (1 CPE)
- July 12** [How ESG Reports Can Help with Recruitment & Retention](#) (1 CPE)
- July 27** [Debt Financing for Industry](#) (2 CPE)
- October 30** [Proven Strategies to Leverage Automation & Outsourcing to Reduce Your Accounting/Tax Workload](#) (1 CPE)
- November 9** [Options to Automate Your Tax Preparation Workflow](#)
- December 21** [Understanding Your Cybersecurity Tech Options: How Non-Techies Can Mitigate Their Malware Risks](#) (2 CPE)



Don't Put Process Improvement on Hold During Tax Season!

By Amanda Wilkie of Boomer Consulting, Inc.

We all know how busy this time of year is. You and your team are dealing with high-pressure deadlines and client demands and hoping the new processes and technology you implemented ahead of busy season run smoothly.

Most firms will put process improvement on hold for the next few months. But did you know that despite the chaos around your office, continuous improvement can remain an integral part of your day?

Don't worry—I'm not suggesting you need to add hours of work to your already-packed schedule. So, let's explore some steps you can take over the next few months to keep your firm on the path of continuous improvement, even when workloads are high and deadlines are looming.

Take notes on what's working and what isn't working

Designate a place to take notes about what's working and what isn't this busy season—whether you keep a paper notebook handy, use a notes app on your phone, or a document on your laptop. Even better, have a firm- or department-wide repository for these notes to collect information from all levels and roles.

What aspect of your client-facing technology or processes did clients complain about? What manual steps did you have to do over and over again? Where did communication break down? What steps in your processes pose a data security risk for the firm or its clients?

What processes were inconsistent between teams or from office to office?

Don't focus solely on tools and software. Consider processes and people, too. And take a big-picture approach that includes:

- Pre-season planning
- Appointment scheduling
- Collecting, scanning, and organizing client information
- The engagement workflow and passing of projects or tasks between team members
- Assembling, e-filing, and delivering the final product
- Billing and collections

Remember the nine categories of waste

In our process improvement engagements, we help firms identify waste—activities that don't add value from the client's point of view, resulting in decreased profitability, lost capacity, and longer cycle times.

These wasteful activities call into nine categories:

- **Defects** include mistakes like transposing numbers, entering incorrect information and not following procedures and quality guidelines.
- **Overproduction** happens when you do more work than necessary. Examples include significant time spent on returns that will be going on extension anyway or prioritizing the wrong projects.
- **Waiting** is defined as any non-value

add time for which value-added productive output is not being performed. Most commonly, this is caused by time spent between touches during a process.

- **Not utilizing people's talents** is a common issue in the profession. For example, the firm wastes resources when higher-skilled people perform lower-skilled work. Other examples are not maximizing staff strengths and failing to cultivate staff ideas for improvement.
- **Transporting** is waste from passing paper files and information from person to person instead of utilizing technology to automate workflows and other firm processes.
- **Inventory** sounds like retail terminology, but this also applies to your engagements. It is best to keep your inventory from getting stale. WIP and backlogs in email inboxes create bottlenecks and decreased throughput.
- **Motion** is the result of scavenger hunts for information. Efforts are wasted by searching through poorly named digital files or digging through poorly organized, overfilled physical files.
- **Excess Processing** is doing more work than the client values or is willing to pay for. Examples include over-auditing or correcting client bookkeeping before gaining permission.
- **Attitude** is the final and most significant category of waste. Negative attitudes, poor morale and refusal to follow guidelines and procedures impede firm processes and progress.

While you go through your day-to-day responsibilities over the next couple of months, keep these categories of waste in mind. When you spot them in your processes, add them to your notes so you can focus on eliminating them after busy season.

Prepare to filter out clients that aren't the right fit

As you work with clients this time of year, you may realize some of them aren't the right fit for your firm or where it's headed. You might not want to fire/filter them out in the middle of busy season, but take note of who doesn't meet your criteria.

Revenue is an easy place to start, but it shouldn't be the only criteria you consider. Also look at whether:

- The client utilizes multiple services
- They appreciate you and follow your advice (are coachable)
- They pay promptly and willingly
- They put the firm at risk

- They engage you for services that enhance the firm's capabilities
- They refer other good clients

Schedule your busy season post-mortem

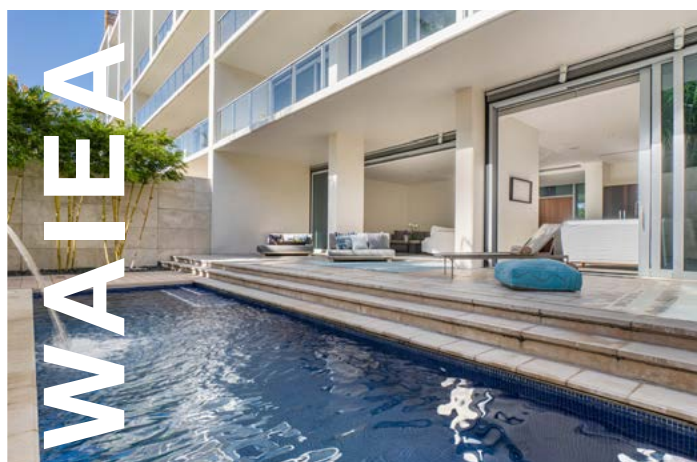
Many firms go through an after-tax-season-review process but fail to address all pain points because they've forgotten many frustrations by the time they get around to meeting.

Ideally, you should schedule this debriefing within two weeks of the tax filing deadline to discuss your pain points while the experience is fresh in everyone's minds. With the notes you've taken on process breakdowns, wasteful activities and non-right-fit clients, this meeting between firm and IT leaders can be invaluable for making post-busy-season process and technology decisions.

Remember, no company is ever "finished" in its journey of refining pro-

cesses, and firms can always find ways to improve. During busy season, these improvements might seem like a distant dream. However, there is always room for improvement — even when you feel like you have no more energy or brainpower to give. Taking some initiative to document your pain points now will allow progress to resume at full speed ahead after April 15th.

Amanda Wilkie, Consultant at Boomer Consulting, Inc., has a computer science background, but she's not your average geek. With two decades of technology experience, Amanda has spent 13 years driving change and process improvement through innovative technology solutions working across firms of varying sizes in the public accounting profession. She has held strategic leadership positions in firms ranging from Top 50 to Top 10 including her most recent role as CIO of a Top 30 firm. Amanda is a recognized expert in the profession who regularly speaks and writes on blockchain and cryptocurrency and their impact on the profession.



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Web3 – What To Know



Web3 is the new era of the world wide web. So, for Web3 – what is essential to know? Soon, experts predict that [Web3](#) will be one of the most significant technological innovations. The Web3 revolution will change everything from communication to business operations and more. This article will discuss what you need to know about Web3.

What Is Web3?

Web3 is a term used to describe the next generation of the internet. The [Web3 Foundation](#) provides information on the technology stack and new developments. It refers to all the technologies being developed to make the web decentralized and accessible to everyone. Web 1.0 were static web pages for consumers from 1991-2004. Subsequently, Web 2.0, where data and content are centralized in a small group of companies referred to as “Big Tech,” has been used from 2005 to today. It is time to rebuild our website presence using modern technologies. These technologies include blockchains, smart

contracts through non-fungible tokens, decentralized applications (dApps), and decentralized finance (DeFi). Licensing and control are overseen by an emerging legal structure called [Decentralized Autonomous Organizations](#) (DAOs) with no central governing body.

Blockchain

In recent years, [blockchain](#) has exploded in popularity. You may have heard of blockchain technology because of cryptocurrencies like Bitcoin. Many people have heard of Bitcoin, but few know much about blockchain technology.

[Bitcoin uses blockchain technology](#) as well as cryptography to create secure transactions. Every transaction on the Bitcoin network is recorded into a public ledger known as the blockchain. We encourage you to take courses such as [K2's Emerging Topics on Blockchain](#) for more in-depth background, including tax and audit implications. Tools such as the [Legible Integrated](#)

[Crypto Tax Tools](#) can accurately report cost basis.

As a result, people who use the Bitcoin network can see all the transactions that occurred without needing to trust any one entity or government. Instead, they can rely on the security of the blockchain to protect them from fraud.

Smart Contracts

A smart contract is an agreement between two parties where one side agrees to perform some action if certain conditions are met. Smart contracts allow both sides to agree upon terms without needing to go through a trusted third party.

A smart contract could automatically transfer ownership once payment is made. This automation eliminates the need for intermediaries, making it possible to conduct transactions at a fraction of the cost compared to traditional methods.

In Web3 implementations, non-fungible tokens (NFTs) have become prevalent smart contracts that allow participants to hold assets. Marketplaces may charge a transaction fee, also known as a “gas” fee. Popular NFT marketplaces include [NBA Top Shot](#), [OpenSea](#), [Mintable](#), [Nifty Gateway](#), and [Rarible](#).

Decentralized Applications (dApps)

A decentralized app (dApp) is a program built using blockchain technology. Unlike regular websites, dApps are not hosted by a central server. Since these apps run on top of the blockchain, they are inherently decentralized.

One of the main benefits of dApps is that they provide better data security than centralized apps. Users do not need to submit personal information to access dApps. They can remain anonymous while still conducting sensitive activities.

Why Should You Care About Web3?

As mentioned earlier, Web3 is the next generation of the internet. It will change everything from how businesses operate to how we interact. Here are just a few reasons why you should care about Web3:

Decentralization

The first reason you should care about the Web3 revolution is decentralization. Centralized servers store your data, process payments, and even control your identity. Unfortunately, centralization has led to the current security breach issue since much data is concentrated in a specific location, making it a rich target for bad actors.

In contrast, decentralized systems like the ones found in Web3 eliminate the need for centralized servers.

Decentralization means that no company or government entity controls your data. Users also own their identities instead of relying on centralized databases, referred to as self-sovereign identity.

Permissionless

Web3 is permissionless. With permissioned networks, only approved entities can participate. For example, when you visit Facebook, you must give the social media giant permission to access your data. In contrast, permissionless networks do not require approval from anyone. Anyone can join the network anonymously and contribute resources.

Further, self-sovereign identity is a crucial benefit of Web3. The vision is to be able to disclose only the data you wish to reveal to others – such as:

- Just your name, height, eye color, gender, photo, and city in an online dating application
- Your address, city, state, birthdate, signature, and veteran status when applying for a loan
- All available data to a police officer in a traffic stop

Data would be stored in a third-party

blockchain-based ledger and could be constantly controlled by the end user.

Security

Security is another significant advantage of Web3. The blockchain provides a tamper-proof system that prevents fraudulent activity. In addition, all transactions on the blockchain are immutable.

Immutable means that all actions performed on the network are permanent and cannot be reversed. Web3’s decentralized nature also allows users to remain anonymous. Unfortunately, it also means that it is difficult to track down individuals’ identities.

The Future of Web3

Web3 is still a new concept, with the Web3 term coined in 2014 by Gavin Wood, the Ethereum co-founder. However, it has already started making waves in the tech world. There are also [Web3 communities](#) that focus on specific aspects of this technology and its applications. Regardless of what happens, Web3 is here to stay. It will continue disrupting industries across the globe.

Continued on page 17

Hawaii Practices For Sale

Gross revenues shown: Kamuela/Waimea Area Tax & Bookkeeping \$268K; Kailua/Maui/Honolulu CPA \$530K; Maui, Hawaii CPA \$232K; 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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Norman's Book Review

"Chasing Daylight"

by Eugene O'Kelly

How many of you know someone in their 50's who was at the top of his profession, then learns he has brain cancer and only has about 100 days to live, decides to write notes for a book to help others, and felt "*he was a lucky guy*"?

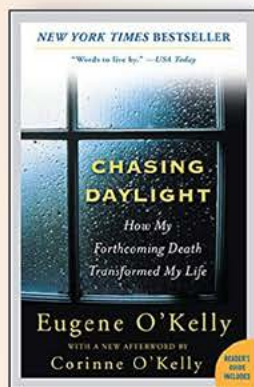
If you were working at KPMG in the early 2000's you would know such a person.

Eugene O'Kelly spent his entire 33-year working career at KPMG, rising up to be Chairman and CEO of KPMG. In May 2005 at age 53, he received the devastating news that he had late-stage terminal brain cancer, glioblastoma multiforme, and only a few months to live. On September 10, 2005 at 8:01 pm, he died peacefully at home, surrounded by his family.

The book is about Eugene's journey after his diagnosis, what he did, why he felt he was a lucky guy and "*blessed he was told he had only months to live*," and his desire to help others live a life filled with "Perfect Moments" and "Perfect Days."

When he talked about his CPA life prior to his diagnosis, it really hit home ... the commitment to clients and his profession, being methodical, organized and thorough, long hours, sacrificing family time, short vacations (if any), and planning for a happy retirement

as a reward for all the hard work. His revelations from how he spent his last 100 days were deep, thought provoking and will help us live a more fulfilling life. It is a gift to not only CPAs but everyone, as evidenced by new Amazon CEO Andy Jassy recommending the book at Amazon's All Hands meeting.



Much thanks to Eric Hansen, past AICPA Chairman, for mentioning this book to me at our 2022 HSCPA Annual Conference and later sending it to me. The following are some snippets to give you a feel for the book.

Chasing Daylight

One of the favorite things

Eugene and his wife Corinne liked to do was play golf together in the late afternoon, when the course was emptier and the shadows longer. "It was a magical time for them ... as if they weren't just playing golf, but *chasing daylight*, grabbing as much time as they could."

With his diagnosis, he remarked, "Now as a team, we were going to chase daylight one last time, only when the daylight faded this time, it would fade on our beautiful life together. At some point, she would have to finish her round without me."

Move It Up

If you are considering taking the time someday to plan your final weeks and months, Eugene has three words of

advice: Move It Up. If you're 50 and you'd planned to think about it in 20 years, move it up. If you're 30 and had planned to think about it in 20 years, move it up.

Wanted To Do Three Things

Eugene always preached commitment to goals: setting them, pursuing them and completing them. With his diagnosis, he was resolved to do three things:

- Leave his job, and
- Choose a medical protocol that allowed him to
- Make the time remaining the best of his life, and as good as it could possibly be for those most affected by his situation.

Being In the Present

As head of KPMG, he always felt he was moving at 100 mph with a calendar planned 12 – 18 months out. With only 100 days left to live, he had to learn the "true value of the present." As a side note, he discovered staying in the present and being genuinely conscious of his surroundings were the hardest things he'd ever attempted. Making it to the top of KPMG, running a firm of 20,000 people, even shooting par for the front nine – those were nothing compared to this.

Letting Go

To help his medical situation, Eugene had visits to a radiation clinic where he was dealing with people whose capabilities had been diminished by disease, doubt and/or fear. He saw things didn't always go according to plan and his

tolerance for imperfection expanded. He began to understand acceptance ... to accept acceptance, if you will. As a CEO and micro-manager with a Type A personality, he noted, "Apparently, I wasn't too old to learn something new, that you can't control everything. I needed to finally let go. I closed my eyes. I let go."

Commitment vs Consciousness

Before his illness, Eugene had considered commitment king among virtues. Commitment had come to equal time ... the more time you were willing to work, the more committed you were. The less time you worked, your level of commitment was suspect. After he was diagnosed, he came to consider consciousness king among virtues. Eugene realized it wasn't the **time** one was willing to **give up**, but the **energy** one wanted to **put in**. While he couldn't control time, he could control his energy. Consciousness and being present were better guiding principles in life.

What he lost in longevity, he compensated with depth, quality and intensity. Consciousness could change anything into a positive.

Who Is Your Sherpa?

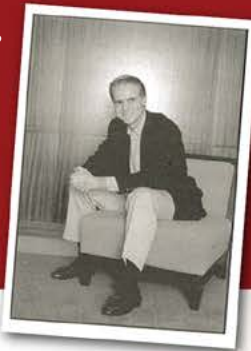
One of the key takeaways I got from the book was the value of having a "Sherpa, a spiritual guide to get you from this world to the next." Corinne was his Sherpa, and even more. She was always by his side, his companion, friend and confidante, first and last. Her unwavering faith had instilled in Eugene the courage he needed to get wherever he needed to go. Whatever life balance he enjoyed, he owed it to her. She would

be the last person he would physically touch when he left this world.

Strive For Perfect Moments and Perfect Days

Perfect Moments are when you experience something special or beautiful, many times spontaneously, and you are in a state of consciousness. A Perfect Day is when you have a bunch of Perfect Moments strung together. *"In a perfect world, a Perfect Moment could last the duration of a waking day, maybe longer ... maybe the rest of one's life."*

"I tell my story so that those who haven't been given my "gift" may find in here something useful for their future (a long one, I hope) and/or present (a deep one, I hope). I hope that my approach and perspective might provide help for a better death – and for a better life right now."



Eugene marveled at how many Perfect Moments he was having since his diagnosis, and how rare such moments had been in his pre-illness life. Living in the present now, maybe for the first time, he experienced more Perfect Moments and Perfect Days in a two-week period than he had in the last five years, or than he probably would have in the next five years, had his life continued the way it was going before his diagnosis. Eugene estimated about 75% of his days have been Perfect Days. Like a great CEO that he was, his goal was 100%.

"The goal of a Perfect Moment was to taste as much of the flavor that life is constantly offering. But the way to all that was through acceptance." He

would always remember that it was precisely because he didn't manage everybody and everything.

Consistency vs Spontaneity

Like a good accountant, Eugene considered consistency as an esteemed trait. Dealing with his illness, however, made him realize that consistency was sometimes not such a virtue at all. Spontaneity was coming up fast down the stretch. *"Do you strive to be more spontaneous or more consistent at work and in your personal life?"*

Had He Known Then, What He Knows Now ...

Eugene would have been a better executive. He would have been more creative in figuring out a way to live a more balanced life, to spend more time with his family. He always assumed you had to physically separate them. Home was home; the office the office. His thinking had been too narrow, his boundaries too strict. It took inoperable late-stage brain cancer to get him to examine things from this angle.

"Drive For Show, Putt For Dough"

This is a famous golf saying which Eugene used as a simple life analogy. Specifically, he commented "for those who didn't get how the smaller pleasures can really mean more than the big ones, he now had six words: Drive for show, putt for dough."

Summary

This book really touched and moved me. I wasn't planning to but I ended up staying up late one night to finish the book ... I couldn't put it down. Eugene put it best as to why he felt compelled to tell his story.



Tax Updates for the Young

By Rebecca Ersando

As we begin to file our 2022 taxes and look forward to 2023, there is of course constantly changing legislation you may want to note for yourself or your clients. Here are a few highlights which the “younger” crowd may be buzzing about.

Never Forget - All Income is Taxable

While technically all income is taxable isn't true (such as certain self-funded disability payments or settlements), remember that the main idea of our tax code is to tax all your income, which is why we end up with criminals in jail for tax evasion from dealings in the black market.

Starting in 2021, third-party companies like Venmo and Paypal were supposed to begin issuing 1099-Ks to anyone who had receipts greater than \$600 (previously \$20,000) which are denoted as for goods and services. So, if you've been selling extra stuff, providing tutoring, or renting out that extra bedroom, the IRS is going to know. Hopefully, individuals won't receive these for reimbursement and cost-sharing type peer-to-peer transactions, but if this occurs, it will be necessary to contact the third-party company to adjust the transaction type.

The government ended up delaying the requirement to issue these forms until the end of 2023, but it's good to know this is on the horizon. While income from selling your



personal stuff, those extra concert tickets, or renting out a room was always taxable, it's becoming tougher and tougher to hide it (not that a CPA would ever do that!). It will also probably lead to some interesting reporting for sales of your items, as you probably sold it for less than your basis (how much you paid for it), so it won't end up taxable anyways.

Digital Assets

The IRS has updated its question regarding everyone's favorite virtual currency to include all “Digital Assets” which includes the usual cryptocurrency, but also NFTs and “similar such assets.” Basically, if it holds

a value, it's probably covered under this new question. Additionally, the IRS has now included in its inquiry if you received digital assets – as a reward, award, payment – or if you sold, exchanged, gifted or otherwise disposed of any such digital assets. So, if you've been adventuring in the digital asset market in any way, make sure you check ‘yes’ and provide any information requested.

Student Loan Forgiveness

Many of us are awaiting the final Supreme Court decision on Biden's student forgiveness plan of up to \$20,000. The great news is, the Feds and Hawaii have already announced that such forgiveness won't be taxable.

529 College Savings Plans Rollover

More recently, the SECURE 2.0 Act made a ton of adjustments to help American's save for retirement. Most potentially interesting for the younger CPA crowd is that if you have extra money in a 529 College Savings Plan that you didn't use for college, you can now begin to roll that over into an IRA for retirement, unlocking the money. If you are a little farther along in life and have kids, this is great news also as it gives your kid options to use the money for college or just pull it forward for their own retirement if they don't need it all.

Eco-friendly Cars and Home Upgrades

As a final note, the Infrastructure Rein-vestment Act, made a ton of changes and additions to your options for tax credits for vehicles and energy efficient home upgrades to keep saving the planet. Changes include a new credit for used clean vehicles, removing the manufacturer limit for new clean vehicles, and allowing annual credits for energy efficient home improvements, where the credit used to be limited to one time. So, if you are in the market for a new car or have managed to acquire some property in this beautiful, but challenging Hawaiian home market, look into these credits for limits and potential tax savings. Maybe you can use the money you save on an electric vehicle to buy a solar hot water heater and get a credit for that, too. The opportunities are limitless. Just like your career!

Here is how you can expect Web3 to change the future:

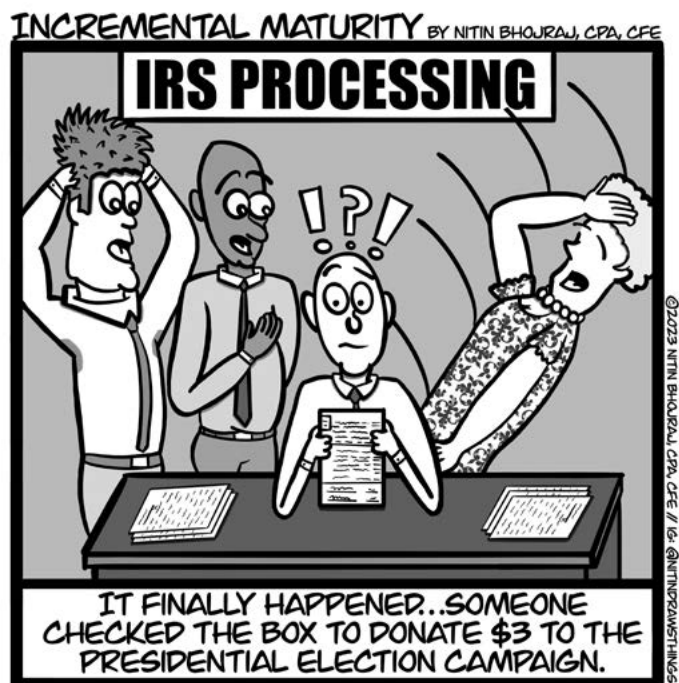
- **Personalization:** The use of machine learning and artificial intelligence will allow people to customize content based on their preferences. Web3 will also be “smarter” in interacting with its users. Instead of asking for explicit permissions, it will learn what interactions make sense for the user.
- **Data Privacy:** The rise of Web3 will lead to greater privacy and [cybersecurity](#). Individuals will have more control over their data and will not have to worry about third parties collecting their confidential information.
- **Ubiquity:** As Web3 becomes more popular than our current Web2, it will become easier to access. Web3 will soon change the way people access and share data. With more devices connected to the internet, we will see more secure internet usage compared to its current state.

- **Wealth Creation:** Web3 promotes ownership. Compared to Web2, where most creators do not get additional revenue for their work, Web3 will create marketplaces that individuals or companies can own.

Conclusion

Web3 is the next step in the evolution of the internet. Hopefully, we have outlined for Web3 what is essential to know. It eliminates the need for central servers and gives power back to the individual. Although Web3 is new, it has already made considerable strides in the tech industry. As such, we can expect more developments in Web3 in the coming years.

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TAX FOUNDATION OF HAWAII

Hawaii's Watchdog on Taxes & Government



By Tom Yamachika

Creative Districts

One of the more intriguing ideas to cross my desk recently is in Senate [Bill 822](#).

It proposes to have certain sections of our state designated as “creative districts.” The idea would be to gather artists, such as painters, photographers, and musicians; and cultural organizations, perhaps hula halau or ukulele schools, together in the area.

The process, including designating the districts and certifying eligible “creative enterprises,” would be done or managed by the State Foundation on Culture and the Arts. It appears to be patterned after a reportedly successful program undertaken by the [State of Washington](#), which describes creative districts this way:

- A Creative District is a fun place to live, work, and visit. It's geographically defined area of cultural and economic activity. It's the heart of a community. It is a place for people to gather and enjoy their community's arts and culture.
- A district is a place where innovation and creativity can thrive. A place that helps the community move enthusiastically into the future.

In the Senate bill, creative enterprises in a creative district would be eligible for tax credits. The bill, however, is a little light on details. It says that the credit for the first year would be ___% of the income tax liability applicable to gross income from business activity within the

district, in the second year it would be ___%, and it continues until the fifth year, when the credit would be ___%. Both the bill as introduced, and the Senate Draft 1 from the Senate Transportation and Culture and the Arts Committee, exhibit the same percentages (or lack thereof). They don't even tell us if the percentages are supposed to be increasing or decreasing from one year to the next.

The bill also says that counties “may” enact incentives for creative districts, such as real property tax exemptions and expedited permit processing. Such language always makes me cringe. The real property tax is the counties' kuleana, so they can enact exemptions or incentives if they want to whether or not the State says they “can.” In fact, there's a court case saying that even if the State says the county “must” provide an exemption, the county doesn't have to. Counties have rights too!

Anyway, back to SB 822. This proposal has some resemblance to our existing Enterprise Zone program, which seems to have a more focused objective and incentives. An Enterprise Zone is designated when it is an area of historically low employment. Businesses joining the program commit to operating in the area and hiring people there. Incentives, which include income tax credits, general excise tax exemptions, and unemployment tax breaks, are lost if the

business fails to maintain its promised goals. The incentives start off substantial, taper off over time, and go away after a while, seven years for most businesses.

What kind of tax incentives might be appropriate for a creative enterprise? Given the stories about starving artists (many of which are based in fact, I understand), income tax credits might not be the best idea. You need to have a net profit to owe income tax, and many creative enterprises run on thin margins. Maybe a GET exemption would be a better choice because that tax needs to be paid when a business has any income at all, whether or not it is enough to pay necessary expenses. A credit against unemployment tax might also be appropriate because the goal of the program is to have creative enterprises, and of course the people who make them work, physically located in the districts.

As of this writing (late February), the bill is still alive and kicking in the Senate. Will it get to the finish line? Maybe some lawmakers have a creative strategy in mind for it!

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.

A Third of CPAs Expect Severe Stress This Tax Season

Nearly half of accountants have considered quitting due to burnout.

In a profession already struggling to recruit and retain talent, accounting often loses qualified workers to other professions with less stress. According to WorkNest, an employment consulting firm, [42% of accountants have considered resigning](#) due to stress. Further, Accounting Area reported “90% of people who work in accountancy have been stressed out by work, with 43% having to take time off as a result of stress. This makes accountancy one of the most stressful industries to work in.”



During a webinar, “[The Value of Personal Resilience: What Business Professionals Need to Know](#),” hosted by the Center for Accounting Transformation recently, attendees were asked

how much stress they expect this busy season and nearly a third (28%) responded that they expected this year’s anxiety to be severe.

Moderated by the Center’s Inspiration Architect [Donny Shimamoto, CPA, CITP, CGMA](#), the webinar also included thought leaders:

- [Randy Crabtree, CPA](#): Co-Founder & Partner, Tri-Merit Specialty Tax Professionals
- [Courtney Deronde, CPA: CEO, FORGE](#) Financial & Management Consulting
- [Samuel Kim](#): Psychologist, Professor, Speaker, [SamuelYKim.com](#)
- [Amber Setter](#): Executive ‘ Leadership Coach, Conscious Public Accountants

During the webinar, attendees were also asked, “How well are you doing on setting boundaries and enforcing them?” Nearly half responded, “Bad: I really need to focus on this and

learn techniques for setting and enforcing boundaries.”

While 23% of attendees were not from public accounting firms, 43% were from small to medium size firms, with 13% of those being sole proprietors.



The [webinar](#) is now available on-demand and is free to HSCPA members using the exclusive promo code (case sensitive): **hscpa-value**.

Participants will learn to identify causes of stress, understand how small changes can improve productivity, learn new ways to look at work-life integration and identify differences between a coach and a therapist.

Panelist Randy Crabtree reminded the group why CPAs are so vulnerable to stress.



Your Mental Health Matters!



The Value of Personal Resilience: What Business Professionals Need to Know - Center for Transformation

“You ask anybody why they got into tax and accounting and they always say, ‘Oh, I want help people.’ That’s where our mindset is,” Crabtree said. “But we lose the fact that, hey, we also have to help ourselves.”

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CPAs

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