APRIL 2023

KĀLĀ

The Official Publication of the Hawaii Society of Certified Public Accountants

A Positive Spin on Employee Turnover

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KALA

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Hawaii Society of CPAs

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Hawaii Society of Certified Public Accountants

KALA (the Hawaiian word for money) is published monthly and is the official publication of the Hawai'i Society of Certified Public Accountants. Please direct all inquiries regarding editorial content to HSCPA, 1000 Bishop Street, Suite 802, Honolulu, Hawai'i 96813.

In This Issue

President’s Message

By Ryan K. Suekawa

Healthy Tips for the Busy Season

We’re all busy. Whether you’re in public accounting serving tax and audit clients with deadlines, or in business and industry dealing with staffing challenges and uncertain economic indicators. There are lots of things to be stressed about.

According to the National Institute of Mental Health (NIMH), taking care of our mental health affects how we think, feel, act, make choices, and relate to others. As accountants, I would guess that our health also affects how we lead our teams and serve clients. As we close out the busiest time of our year, here are few reminders from the NIMH with the goal of keeping ourselves healthy.

Get regular exercise. Just 30 minutes of walking every day can help boost your mood and improve your health. Small amounts of exercise add up, so don’t be discouraged if you can’t do 30 minutes at one time.

Eat healthy, regular meals and stay hydrated. A balanced diet and plenty of water can improve your energy and focus throughout the day. Also, limit caffeinated beverages such as soft drinks or coffee.

Make sleep a priority. Stick to a schedule, and make sure you’re getting enough sleep. Blue light from devices and screens can make it harder to fall asleep, so reduce blue light exposure from your phone or computer before bedtime.

Try a relaxing activity. Explore relaxation or wellness programs or apps, which may incorporate meditation, muscle relaxation, or breathing exercises. Schedule regular times for these and other healthy activities you enjoy such as journaling.

Set goals and priorities. Decide what must get done now and what can wait. Learn to say “no” to new tasks if you start to feel like you’re taking on too much. Try to be mindful of what you have accomplished at the end of the day, not what you have been unable to do.

Practice gratitude. Remind yourself daily of things you are grateful for. Be specific. Write them down at night, or replay them in your mind.

Focus on positivity. Identify and challenge your negative and unhelpful thoughts.

Stay connected. Reach out to your friends and family members.

On the last point of staying connected, please encourage your younger team members to sign up for the Y-CPA After Busy Season social at Bishop Onokai on Tuesday, April 25th.

The Retrospective Appraisal

By Jon & Stephanie Yamaguchi

There are many different types of appraisals that are utilized to serve different purposes. A common question posed to an appraiser is, "Can I order an appraisal?" The response from the appraiser should be, "What kind of appraisal do you need?" The appraiser should proceed to counsel the potential client and assist in determining their specific needs. In many cases, the client needs an appraisal that requires specific appraisal parameters, that will satisfy a certain type of appraisal.

In this article, we focus on developing an appraisal job scope for a retrospective appraisal. A retrospective appraisal is an opinion of value as of a specific date in the past. Retrospective values are frequently utilized to establish a date of death value, estate value, inheritance tax matters, property gifting, fractional interest determination, trust interest and directives, damage models, lease renegotiation, deficiency judgements and condemnation. It is important that the appraiser comply with the Uniform Standards of Professional Appraisal Practice (USPAP) and the Internal Revenue Service (IRS) Appraisal Guidelines (26 CFR1.170A-17 (a)(5)(i) to avoid license suspension, revocation, or penalty.

To begin the appraisal valuation process, a clear job scope must be identified and mutually agreed upon by the participating parties. Some of the pertinent items in a job scope are as follows:

1. Identification of the subject property.
2. Identify the client and/or participating parties names and contact for the physical inspection.
3. Intended Use and Intended Users of the Report
4. Effective date of valuation and the market value definition
5. Identify any assignment conditions, i.e., extraordinary assumptions, hypothetical conditions, jurisdictional exceptions, public or private on-site or off-site improvements that affect value and any assemblage, estates or its component parts.
6. Through our experience, the degree of difficulty increases as the effective retrospective date increases. Although relatively rare, we have completed retrospective appraisals with effective dates as far back as 20+ years ago. Prior records of renovations, photographs, and pertinent information such as prior physical condition are important aspects when developing this type of appraisal.

Assisting your client to understand the appraisal process is helpful in obtaining the correct type of valuation format and will help expedite the process.

A Positive Take on Employee Turnover

By Sandra Wiley of Boomer Consulting, Inc.

It's a difficult reality in any profession, but especially for CPA firms: employees eventually leave. It can be disruptive, have financial implications, and generally cause anxiety within your team. But there are ways to respond to this disruption by strategically looking at the positives of resignations and approaching them with an open mind. If you're a leader of a CPA firm coming to terms with one or more employee departures during the Great Recession, here's how to face this change head-on by capitalizing on present opportunities and preparing your firm for future success.

Opportunity for new blood, new ideas, and new growth

Employee turnover can be an opportunity for new blood, new ideas, and new growth if approached in the right way. Use turnover as a chance to bring fresh perspectives into your organization. New employees might have creative ideas to refresh stagnant processes, improve productivity, offer additional services or deliver an even better client experience. They often bring valuable knowledge and experience to the table, so look for ways to tap into it and open up exciting growth opportunities.

Weeding out employees who aren't the right fit

Unfortunately, many firms have people on their teams who aren't the right fit. They might be actively disengaged, have a negative attitude or refuse to use certain technologies or follow processes. Turnover can be an opportunity to weed out these non-right-fit employees who don't fit the company culture.

A chance for internal employee development

Employee turnover can also be a time for personal growth within the company. When someone leaves, other employees often have to take on additional work. With an open position available, you may have an opportunity to develop existing team members by offering promotions or lateral moves that can help stimulate job satisfaction and career development.

This allows people to learn new skills, boost their credentials, build new relationships with colleagues and get better acquainted with the firm—all of which can be extremely rewarding and beneficial for future success.

Improve morale within the firm

We tend to focus on the negative impact on morale when someone leaves, but employee turnover can also positively impact morale. Employees who are disengaged or dissatisfied in their roles can bring others down. Maybe their performance has taken a nosedive, and other team members have had to pick up the slack. Maybe their negative attitude is dragging others down.

Either way, when someone like that leaves, the remaining employees may feel a sense of relief and a renewed passion for doing their best work.

An opportunity to learn from your former employees and improve your business

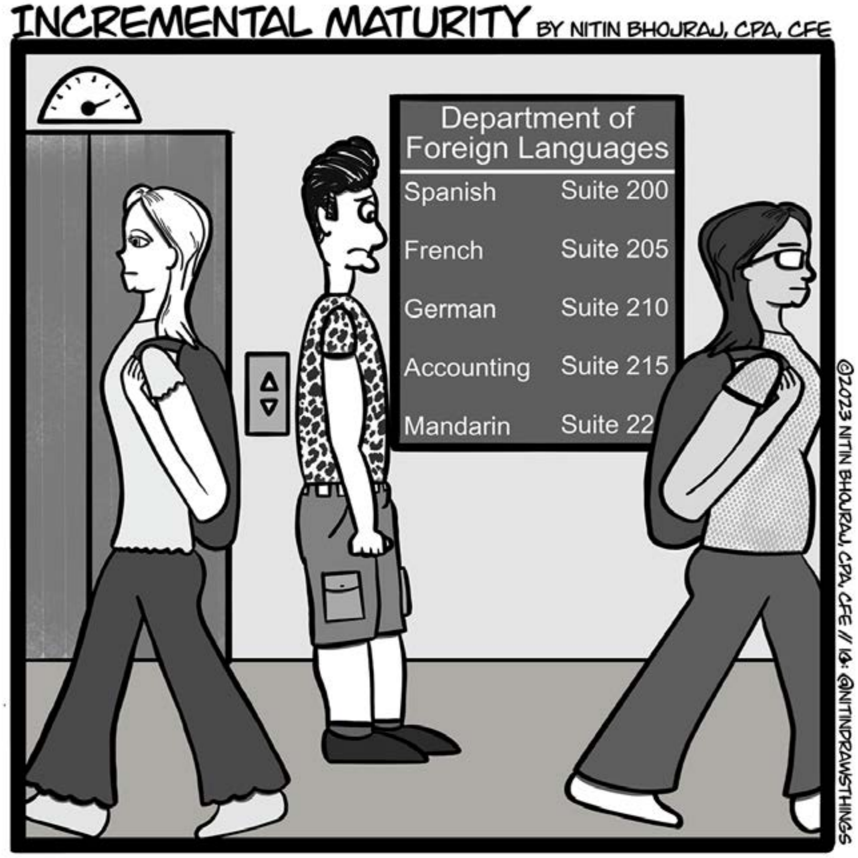
Employee turnover can also be an opportunity to learn from former employees and improve the business. With the departure of a team member, you have a chance to take a step back and evaluate what your team could have done better. By reflecting on where things went wrong, you can gain valuable insight into how to improve retention in the future and improve your firm's technology, processes or business model.

Embrace the challenge of finding new talent and training them to fit into your company culture

Employee turnover can be viewed as a positive opportunity for you to bring in new talent and train them to fit into the company culture. If your employee recruitment, onboarding, training or development processes left something to be desired in the past, now is a chance to make a change and do a better job.

While it can be difficult to lose valued team members, employee turnover can give your firm a unique chance to improve and grow. By approaching employee turnover in a positive light, you can use it as an opportunity to bring new people and opportunities into the firm, incentivize existing employees and ultimately make strides toward long-term success. With thoughtful planning and execution of these strategies, you'll be better equipped to attract and retain talent that comes your way in the future.

Sandra Wiley, Shareholder and President of Boomer Consulting, Inc., is a leader in the accounting profession with a passion for helping firms grow, adapt and thrive. She is regularly recognized by Accounting Today as one of the 100 Most Influential People in Accounting as a result of her expertise in leadership, management, collaboration, culture building, talent and training.



TAX FOUNDATION OF HAWAII

Hawaii's Watchdog on Taxes & Government

By Tom Yamachika

Legislative Madness

In the sports world, we have "March Madness." Last week in this space, we wrote about "Credit Madness." Now, lest we miss the forest for the trees, let's discuss madness at the Legislature in general.

A month ago, Civil Beat interviewed Sen. Stanley Chang, who had introduced Senate Bill 149 with a constitutional amendment to have the Legislature meet year-round, like the Honolulu City Council. At the Council, the schedule "permitted time for deliberation, consultation with stakeholders and accessibility for the public," he said. At the Legislature, on the other hand? "It's just four months of chaos – it was very striking." (Sen. Chang's bill was heard and passed by Senate Judiciary, but hit a wall when it got to Ways and Means. It's dead for this session.)

Let me give you a little bit of how that looks from my perspective.

The Tax Foundation of Hawaii follows bills that deal with taxation or public finance. This year, there were more than 3,100 bills introduced at the Legislature. The Legislature normally considers around 2,500 to 2,700 bills a session, so this year's crop of bills was huge. Typically, we select about 10% of those bills to follow. This year was no different. We were following about 300 bills.

At the start of the session, bills are normally considered by committees that concentrate on one or more specific areas, such as Agriculture, Education, Energy and the Environment, or Housing. We call these "subject matter committees." The House and Senate have 33 committees between them. Of those, there are 27 subject matter committees. Six have a wide purview (Judiciary, Money, and Commerce committees in both chambers) and usually are the last committees to which bills get referred.

During the first couple of weeks in the Legislature's 60-day calendar, most of the action occurs in subject matter committees, and with dozens of committees trying to hear bills and move them at the same time, there isn't much breathing room. During this period, for example, we were getting 30 hearing notices on bills we were following … on Friday afternoon. Testimony on bills needs to be submitted 24 hours before the hearing, and a number of the bills were to be heard on Monday. So much for our nights and weekends. When the work week rolled around, it wasn't uncommon for multiple hearings to be held at the same time. We were triple-set or quadruple-set for a few of them. Thank goodness that the Legislature allows testimony via Zoom, so we could zip back and forth between hearings as needed.

In the second two-week period, the bills we follow are considered by House Finance and Senate Ways and Means. The Senate won't give a bill a hearing if it was already heard in a subject matter committee; it allows folks to submit written testimony only, and then meets to make decisions on the bills. In the House, the chair doesn't crack the whip quite as hard, and generally gives testifiers the time they need and accommodates many questions by Finance members. As a result, many of the Finance hearings start far later than they are scheduled. I remember logging in for a 2:00 PM hearing and not recognizing any of the bills being heard – the committee was still on their 11:00 AM agenda. As a result, some hearings continued well after sunset (I pressed the logout button, but legislators, their aides, and a number of other testifiers attending the hearings didn't have that luxury).

The next four weeks of the session are somewhat similar to the first four weeks, but there are fewer bills because lots of bills have fallen by the wayside.

The last couple of weeks in the session are the scariest. That is when the Conference Committees meet, ostensibly to resolve differences between the House and Senate but only the folks on the inside know for sure what really goes on.

Continued on page 13

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)

Tax Advisory Supercharges Business

By Randy Johnston of K2 Enterprises

Most tax professionals consume too much time in compliance when tax advisory supercharges business. Many CPAs are searching for ways to grow their businesses, from payroll and outsourced CFO services to technology consulting and business consulting when tax advisory is an easy win. Fee compression and staffing shortages, meanwhile, are putting increasing pressure on tax prep. But with all those shiny new ancillary services beckoning, it turns out that advanced tax advisory, right in your wheelhouse as a tax professional, is one of the highest margin services you can offer clients.

Why tax advisory?

Outsourced CFO work might make $100,000 a year for a single project. Still, it requires a LOT of work, especially from the managing partner or the senior partner, Jackie Meyer, CPA, told Rory Henry on a recent podcast done together "so, the time really adds up," she said. "While the net profit margin on outsourced CFO work is pretty good, it's not as good as tax planning," added Meyer, who founded Meyer Tax Consulting LLC and TaxPlanIQ planning software and Concierge Accountant Coaching programs. TaxPlanIQ was recently selected by the AICPA's CPA.com Accelerator program for 2023.

With tax advisory services, said Meyer, you can tell a client: "Hey, we can save you tens of thousands, if not hundreds of thousands of dollars every year on your taxes. Here's our cost (i.e., your investment in us) and your ROI." It's all based on the knowledge you've acquired over the years. Moreover, since it's not a time-based activity, it can be highly profitable. Meyer said it's not uncommon for clients to see a 300% to 400% return on the fee they're paying you as their concierge assistant, and practitioners see profit margins typically in the 40% to 50% range.

Why concierge services?

Arrowroot Family Office was founded on the belief that they had to provide more specialized concierge services to their clients, such as lending, insurance, and estate planning. Traditional wealth advisory was not enough. The firm saw an evolution coming in software and technology that allowed them to provide more high-value services and not spend all day wrestling with spreadsheets and looking up tax law.

With tech solutions such as TaxPlanIQ, Corvee, or Intuit Tax Advisor, tax advisory is one of the best ways for firms to grow their book of business and provide clients significant value via tax savings and tax efficiency. Tax advisory is also an excellent way for CPAs to transition into wealth management by providing clients with future-facing advice instead of simply their financial history.

Meyer said it's essential for CPAs to value-price their tax advisory services so they're not giving expertise away for free. When it comes to tax advisory, Meyer said the biggest challenge for CPAs is not learning how to do tax advisory; it's about "having the confidence" to sell it to clients and add it to their service model.

Shifting out of the "stay in your lane" mindset

Tax advisory and value-based pricing are significant steps for many accounting firms because they've used to charging hourly and have only had set pricing for one-off services. For example, Meyer shared the story of one of her coaching clients who planned to present a $50,000 tax advisory proposal to a client. The $50,000 fee was huge for a firm of her size, but it was reasonably priced considering the hundreds of thousands of dollars' worth of tax savings she identified for the client. Her proposal looked great, but when Meyer asked how the presentation to the client went, the CPA responded: "Oh, it wasn't really on my radar because I was too busy wrapping up October 15th deadlines,'" recalled Meyer. "I was shocked that she would prioritize a 50-grand project that would change the trajectory of her firm and her client's life for the better."

In response, Meyer sent her coaching client a calendar invitation to confirm when she was scheduled to present the tax plan to her client. "You have to keep pushing people because they've got that passion and purpose," recalled Meyer. "They just need someone to help them get their confidence level up – and keep it there. And don't be shy about charging appropriately for your expertise. There's no reason to give your advice away for free," asserted Meyer.

Getting away from the billable hour

Like many CPA colleagues, Meyer believes the billable hour is causing CPAs to grind out 80-hour weeks without sufficiently feeling compensated or satisfied with their work. That grinder mindset, said Meyer, stems from the fact that many accounting firm owners have tremendous technical competence that allowed them to rise to the top of our profession. Still, they never received training in leadership, sales, marketing, operations, and talent development – skills that highly successful business owners have.

Importance of year-round tax advisory

Regarding tax advisory, show clients your unique expertise because almost anyone can claim to be a tax specialist. According to Meyer, there are tax preparers who simply do compliance work. They might be making a tax projection, which is not tax advisory. A tax projection, said Meyer, "is just telling the client what tax they have due for the next year." And then there's actual tax strategy and advisory in which you're "reducing a client's tax load from prior years, the current year, or the future. As a high-value CPA, you want to be at that level," asserted Meyer.

Above all, make sure your client puts the recommendations into action and that you are the one who is quarterbacking the implementation with the client's financial advisor, estate planner, and other advisors. There are deadlines and activities that need to be met monthly, quarterly, and annually.

Meyer believes there is no right way to do tax advisory, but her firm finds it helpful to identify five to eight tax strategies they want to accomplish within the following year. Their software places the tasks that need to be done on the back end (by her firm and the client) to achieve that strategy and all the accompanying reminders. "Then we just check in with the client throughout the year to see if any developments could change their tax plan," said Meyer. "Then we go back every year and have an annual strategy meeting and tell the client: 'This is what we thought we were going to do for you. Here's what actually happened. Here's your ROI.'"

Conclusion

- There's never a good reason to give away advice for free.
- Clients will happily pay for services that save them a fortune on taxes and have an easily measurable ROI.
- Changing lanes can be scary for CPAs, but most who switch to value pricing never return to hourly or ' fixed-fee services.

Bottom line: don't be afraid to change out of your lane. After going through the process, it's not hard to raise your fees for tax advisory because clients are thrilled with the savings and can see very clearly what they got for their money.

Randy is one of the partners at K2 Enterprises (www.k2e.com). In his role at K2 Enterprises, Randy helps to create and deliver technology-focused training to business professionals throughout North America. You may reach Randy at randy@k2e.com.

Shining a Light on Ethics

HSCPA 63rd Annual Conference

Featuring Ethics for Hawaii CPAs

Who? C.P.A.s . . .

Coolest People Around!

Hard-to-beat line-up at the 63rd Annual Conference with **Okorie Ramsey**, Chair of the American Institute of CPAs and Association of International Certified Professional Accountants, here to open the Conference. He will discuss the latest updates on trends and issues and the pipeline challenges impacting the accounting profession. Okorie will illustrate how the profession continues to transform as we Rethink, Reshape and Reimage to deliver value and growth.

It's a reporting year and you'll need the 4 hours of Ethics CPE for license renewal. HSCPA's finest, **Ron Heller**, will provide an update on professional ethics and explain recent interpretations of the AICPA Code of Professional Conduct. Ron will teach you how to identify, analyze and respond to conflicts of interest, how to apply independence rules in your practice, and key rules regarding client confidentiality. The presentation will also cover recent Hawaii developments and tips to avoid malpractice claims or liability.

HSCPA 'adopted' **Charles "Chuck" Rettig** many years ago when he frequented the islands giving numerous presentations on tax controversies. In 2018, Chuck became the U.S. IRS Commissioner where he served during a unique period as the nation dealt with pandemic challenges and closures. A great opportunity and privilege as Chuck will 'talk story' with us sharing his experience of the IRS operations.

Timely updates, necessary information, and fun stories for 7 hours of CPE, breakfast, lunch, and yes, Happy Hour! Don't miss this event and Register now!

ETHICS CPE • FOOD • FUN • HAPPY HOUR

GREAT SPEAKERS AND TOPICS!

Okorie Ramsey currently serves as the Chairman of the American Institute of Certified Public Accountants (AICPA) and the Association of International Certified Professional Accountants (the Association), and previously served on various not-for-profit boards supporting diversity, equity and inclusion in the fields of accounting and finance including the California Society of CPAs Education Foundation, the National Association of Black Accountants (NABA, Inc.), the Accounting Career Awareness Program (ACAP), and LIFE Courses.

Okorie is the Vice President, Sarbanes-Oxley (SOX) for Kaiser Foundation Health Plan, Inc., and Kaiser Foundation Hospitals. In this role, he has responsibility and oversight for the SOX Program, including strategy, testing, and evaluating internal controls and assessing business risk to assist in building an effective internal control over financial reporting for the integrated health care enterprise.

Prior to his current role, Okorie held the position of Vice President, Finance Compliance Officer, where he was responsible for establishing a finance compliance program to support compliance with regulatory and enforcement agencies as well as leading compliance investigations and co-developing remediation activities to address issues identified. In addition to these finance executive roles, Okorie has served in management and leadership roles in public accounting and business and industry.

Ron Heller, is Of Counsel at Torkildson Katz, A Law Corporation. He has been practicing law in Hawaii for over 40 years, concentrating on tax litigation, tax law, and business disputes, primarily dealing with accounting and financial issues. He is a licensed Certified Public Accountant as well as an attorney. Ron is a Fellow of the American College of Tax Counsel and a past Chair of the Tax Section of the Hawaii State Bar Association. He has litigated tax cases at the county, state, and federal levels.

In addition to tax cases, Ron has represented clients ranging from individual sole proprietors to multi-national corporations in a wide variety of business disputes, in court and in arbitration proceedings. He served as an Adjunct Professor at the University of Hawaii School of Law and has taught a number of continuing professional education courses for attorneys, CPAs, and other professionals.

Ron's efforts have led to peer recognition, including the maximum 5 out of 5 peer rating and an AV Preeminent Rating by Martindale-Hubbell. He also received a perfect 10 AVVO Rating as a "Top Tax Attorney" and has been listed as one of the "Best Lawyers in America" in the area of tax law for more than 25 years. In addition, Ron was named Lawyer of the Year in 2021 for Tax Law in Honolulu, Hawaii by Best Lawyers®, which also selected him as Lawyer of the Year 2019 in Litigation and Controversy – Tax for Honolulu, Hawaii.

Charles "Chuck" Rettig served as the 49th United States Commissioner of Internal Revenue from 2018 to 2022 where he presided over the nation's tax system collecting approx. $4.9 trillion in revenue each year (representing more than 95% of the gross revenue of the United States). He managed an agency of about 80,000 employees and a budget of approx. $13.4 billion. During his term, Chuck focused on improving service to the nation's taxpayers and balancing appropriate enforcement of the nation's tax laws while respecting taxpayer rights.

During the COVID-19 pandemic, the IRS processed more than $1.5 trillion in record economic relief and individual refunds. As part of a larger outreach effort to reach underserved communities, the IRS has new, meaningful relationships with more than 15,000 community organizations and 13,000 public school districts. IRS has also aggressively pursued multi-lingual, multi-cultural efforts expanding outreach and assistance in multiple languages, including, for the first time, providing the 2020 - 2022 Individual Income Tax Return, Form 1040, in a language other than English (Spanish). Taxpayers can now also instruct the IRS to contact them in writing in a language other than English and basic tax information is newly available in 20 languages on IRS.GOV. During FY22, there were more than 90 million visits to the non-English pages on IRS.gov, most of which did not previously exist.

Chuck is the co-founder of the UCLA Extension VETS COUNT Scholarship Fund designed to provide scholarships for active duty and retired military personnel who are working to realize their career goals in tax, accounting, and wealth management. Prior to joining the IRS in 2018, Chuck Rettig was a practicing tax lawyer in Los Angeles, CA for more than 36 years.

Continued from page 8

The public isn't invited to most of the deliberations, and only is called in when both sides are ready to announce a result and hold a vote.

In any event, Sen. Chang certainly has a point, and we perhaps could be thinking about ways to make the legislative process less chaotic and more accessible.

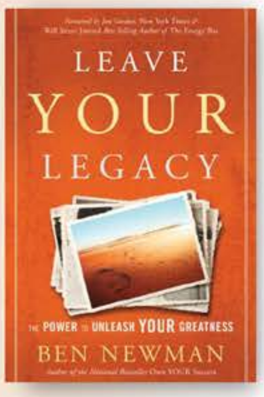
Tom Yamachika is President of the Tax Foundation of Hawaii - the 'watchdog' that keeps an eye on Hawaii's taxes. Tom is also the owner of Aloha State Tax, a small law firm with emphasis on State taxes. Prior to going solo and the TFH, Tom was a principal with Accuity LLP where he managed the tax consulting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

Norman's Book Review

"Leave Your Legacy"

by Ben Newman

With the end of tax season, I thought it would be a great time for everyone to think about what kind of legacy they want to leave both professionally and to their loved ones. Life zips by sooo quickly that often we don't think about our legacy. I was fortunate to listen to Ben Newman speak at a Federal Home Loan Bank seminar back in 2019 where all attendees were given this book. He was very inspiring and passionate.



Ben chose to write a fictionalized story about a highly successful business-man named Pierce and his journey to finally understanding his legacy. You will learn how difficult the task is, but also how important it is to understand / discover your own legacy and life purpose. Woven in the book are tips and worksheets to help you in your personal discovery. The following are some useful snippets from the book to give you a flavor of the book.

Types of Legacies

Leaving a legacy is very personal because only "you know how you want to be remembered, which helps you decide how to live and work today." To help you, here are four types of legacies to consider:

- **A Legacy of Excellence** – Strive to be your best every day. As you strive for excellence, you inspire excellence in others. You serve as a role model for your children, your friends and your colleagues.

- **A Legacy of Encouragement** – You have a choice. You can lift others up or bring them down. Be that person who someone will call in the future and say, "Thank you. I couldn't have done it without you."

- **A Legacy of Purpose** – Make your life about something bigger than you. While you're not going to live forever, you can live on through the legacy you leave and the positive impact you make in the world.

- **A Legacy of Love** – Most people remember the unconditional love of their parent(s). Share a legacy of love and it will embrace generations to come."

GDGT

When Ben signed my book, he wrote: "Attack the process! GDGT, Ben."

GDGT stands for "Go Do Great Things" and that is Ben's mantra. He wants everyone to "connect to the person you are destined to be as you leave YOUR legacy. He shared how as a young boy he watched his mother battle a rare disease called amyloidosis. Although it took her life in 1986, his mom's passion for life and courage to fight a dreadful condition is now a lesson of legacy for all his family. Her attitude amidst her adversity is proof that you can be present in the moment and never stop fighting as you write the story of your legacy."

Reframe

When you are stuck, things are getting heated with a colleague or team members, or you know things are going in the wrong direction, REFRAME! I thought this was a great word to say out loud or in your head to change directions for the better.

Two Steps to Implement Change

"The most important step to effect change is WANTING to change – that overwhelming desire that drives you to improve. The second most important step is less about making the actual changes – this will occur organically – it is about changing the way YOU THINK!"

Tough Question

Successful and driven CPAs are extremely proud of their work accomplishments, social standing and financial account balances. The tough

"Ability is a poor man's wealth."
(John Wooden, basketball coach)

"Life is temporary but the legacy you leave is eternal."
(Jon Gordon, American author)

"Courage is rightly esteemed the first of human qualities … because it is the quality which guarantees all others."
(Winston Churchill)

"Wins and losses come a dime a dozen. But effort? Nobody can judge that. Effort is between you and you."
(Ray Lewis, football player)

question asked in the book is: "Are you succeeding at work, yet failing at life?" Hopefully you are succeeding at work and at life. If not, change your legacy.

Being

As Pierce worked on improving himself and his life to leave a legacy, he was happy with, he realized he just had to be in the moment, or simply "being."

If You Died Today …

Towards the end of the book, Pierce was asked, "If you died today, do you feel you have achieved enough in your life to leave an impression that would inspire others to do the same?" Can you answer with a definitive YES?

You Create YOUR Own Legacy

This is the major message of the book … "you are your own guru, your own teacher; you create YOUR own legacy. Define what you would like your legacy to be, believe you can achieve it, and work – every day – toward building your legacy … Exactly. How. You. Want. It. To. Be."

Inspire Greatness in Others

All great leaders and coaches strive to "inspire greatness in others." Doing this leaves a legacy and can be YOUR legacy if you want. Do you inspire greatness in others?

Summary

Today is a great time to start thinking about what you want your legacy to be. Only YOU can decide that and live your life with purpose, conviction and passion. Ben's book is there to help you through this process. I sincerely hope you are able to decide what YOUR legacy is. The world will be better for it and you will live eternally in the hearts and minds of those closest and dearest to you.

"If you want to feel better about the direction you are headed, bear down and go to work."
(Dr. Jason Selk, author)

"What lies before us and what lies behind us are tiny matters compared to what lies within us."
(Ralph Waldo Emerson)

YCPA THE BUZZ

Sustainability Reporting Required by Ordinance 22-17

By Adrian Hong

If you haven't already talked to your Oahu-based clients about Ordinance 22-17 (Bill 22), you should start soon. The ordinance requires Honolulu building owners to report annually on the following sustainability metrics:

- Site and source energy use intensity
- Weather normalized site and source energy use intensity
- The ENERGY STAR ® score, where available
- Total annual greenhouse gas emissions
- Monthly energy use by fuel type
- Indoor water use and water use intensity (consumption per gross square foot)
- Outdoor water use (where available)
- Total water use
- The ENERGY STAR ® Water Score (where available)

Intensity metrics take absolute numbers for energy, GHG emissions, water, etc. and puts them into the context of the size of the entity's operations. One example of an intensity metric is the total CO_2e per $1 of revenue the company emits. Another example is the number of gallons of water per square foot of land owned by a company. These metrics make it easier to compare buildings and companies of different sizes.

The goal of the bill is to make building owners aware of the resources they consume and allow them to benchmark themselves against similar buildings. This knowledge is meant to empower them to make better decisions that conserve precious resources and save money.

Bill 22 applies to properties that exceed 25,000 square feet in gross floor area. It exempts the following buildings from the reporting requirements:

- Single family, duplex, triplex and fourplex residential homes and related accessory structures, or any other residential building with fewer than five units

- Any building with less than 25,000 square feet in gross floor area, that is not otherwise part of a campus for the purposes of benchmarking

- Properties classified as industrial per designated Standard Industrial Classification (SIC) codes 20 through 39

- Properties owned by government bodies not subject to the authority of this article or already governed by other articles

The sustainability reporting required by Ordinance 22-17 is for each calendar year and is required to be submitted to the Office of Climate Change, Sustainability, and Resiliency (OCCSR) by June 30th of the following year. The reporting requirements are phased over several years based on the size of the covered property. The following is the schedule:

- Covered properties ≥ 100,000 sq. ft. – comply by June 30, 2023

- Covered properties ≥ 50,000 sq. ft. – comply by June 30, 2024

- Covered properties > 25,000 sq. ft, but < 50,000 sq. ft – comply by June 30, 2025

For more information about Ordinance 22-17, please click on the following link: www.resilientoahu.org. It will take you to OCCSR's website about the ordinance and its benchmarking program. The website has a schedule of upcoming training sessions on how to comply with the ordinance.

Learn more about ESG and related issues

Register for the upcoming webinar (FREE for HSCPA members) on April 25th: ESG – What is It and Why is it Important for CPAs?

ESG - What is It and Why is it Important for CPAs?

APRIL 25TH

8:30 TO 9:30 A.M. HT

FREE for HSCPA Members

Interested in ESG (environmental, social, governance) but don't know where to start?

Want to understand how ESG will affect you and your clients?

As more and more businesses focus on ESG-related initiatives, accounting plays an important role in identifying material reporting topics, key metrics, and internal controls necessary to drive these initiatives.

Accountants also have the opportunity to provide assurance services on these sustainability reports.

Join Adrian Hong of Hong Consulting, LLC as he introduces you to ESG. This one-hour webinar will cover what ESG is, common ESG topics, who ESG is for, why it matters, and the standards in ESG.

LEARN MORE - REGISTER HERE

CPA FIRM MICROCOMPUTER TECHNOLOGY

By Joy Takaesu of The CPA Collective

Microsoft reminds customers that Exchange Server 2013 will reach its end of support on April 11, 2023. After that date, Exchange Server 2013 will continue to function, but it will no longer receive new features, bug fixes, security updates, or time zone updates. Microsoft encourages Exchange 2013 customers to migrate to Microsoft 365 or Exchange 2019. For more details, please visit https://learn.microsoft.com/en-us/microsoft-365/enterprise/exchange-2013-end-of-support .

Microsoft has also started rolling out its new PDF engine for Microsoft Edge in Windows 10 and Windows 11. Microsoft partnered with Adobe to integrate the Adobe Acrobat PDF rendering engine into the Edge browser.

The new Edge PDF experience will include "more accurate colors and graphics, improved performance, strong security for PDF handling, and greater accessibility—including better text selection and read-aloud narration." For advanced features like text and image editing, file conversion & combining PDFs in Edge, a paid Adobe subscription is needed. Other browsers such as Chrome and Firefox have their own PDF viewing and basic editing capabilities. Microsoft plans to retire its old Edge PDF engine in March 2024.

The IRS reports that scammers are attempting to steal personal information by trying to convince taxpayers that the scammer can help them set up an IRS online account. The scammer then attempts to get taxpayers to provide their sensitive personal information. The IRS says taxpayers should create their own online accounts on IRS.gov, without assistance from third parties. If they would like assistance, they can go directly through the official IRS website.

The IRS also warns that there are schemes circulating that wrongly encourage ineligible taxpayers to claim Employee Retention Credits (ERC). The Employee Retention Credits are only available to businesses that were affected by the COVID-19 pandemic and that meet specific eligibility requirements. The IRS intends to increase its enforcement efforts on ERC claims.

According to the IRS, "Improperly claiming this credit could result in taxpayers having to repay the credit along with potential penalties and interest . . . Tax professionals have reported receiving undue pressure from clients to participate and claim the ERC, even when the tax professional believes the client is not entitled to the credit. The IRS encourages the tax professional community to continue to advise clients not to file ERC claims when the tax professional believes they do not qualify."

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

CPA FIRM SUPER SESSION

APRIL 26, 2023 • 8:30 - 9:30 AM HT

This state-of-the-profession session covers four key areas of which at least one or more will impact every firm.

CPA firm and non-accounting M&A

Succession assessments

Capacity / Outsourcing

Creating or expanding an advisory department

These four segments will be discussed:

This session will provide ideas to resolve obstacles or evaluate opportunities no matter if you are an emerging firm or a Top 100 leader.

The goal of every firm should be to build their enterprise value and this session will help you make progress in key areas of transition and transformation of your practice.

Bob Lewis President - The Visionary Group

Bob is one of Accounting Today's Top 100 Most Influential People. He speaks nationally on opportunities and obstacles impacting the CPA profession and collaborates with firms from the Top 10 to emerging person practices try to either grow or firms seeking an exit path.

Key components of Bob's experience include succession assessments, helping firms expand their capacity through outsourcing, culling clients, teaching value pricing, and helping firms set up or expand their advisory services.

REGISTER HERE

Income Taxation of Trusts and Estates

April 27, 2023
8:30 a.m. to 3:30 p.m.

Subchapter J of the Internal Revenue Code governs income taxation of estates and trusts - an area of tax law with numerous special rules, regulations, and professional customs.

Form 1041 is unlike any other income tax return a tax professional encounters. This program explains the unique tax rules and opportunities for the knowledgeable tax advisor to provide valuable tax services to fiduciaries - from special tax accounting to options for reporting trust income and expenses.

This program will contain state-specific information on the state's principal and income tax (including unique features of that Act) that is used to compute "accounting income" necessary for preparation of the Form 1041.

REGISTER HERE