

NOVEMBER 2023

# KĀLĀ

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# President's Message

By Ryan K. Suekawa

November means the year is quickly coming to an end. And, with Thanksgiving upon us, it is also the month to give thanks for what we have. As an HSCPA member and CPA in Hawaii, we have many things to be thankful for, and the following are my top 5 things:

## 5. Kathy and Debbie

We can be thankful we have Kathy Castillo and Debbie Cortes taking care of us as HSCPA members. We can count on them to do what is best for HSCPA, the profession and for us. Kathy is our Hawaii Ambassador at national events and makes sure HSCPA is well taken cared of and represented. Even though Hawaii's membership numbers are small compared to other states, the AICPA's leaders always get an oversized dose of Aloha Spirit when they meet with the HSCPA.

## 4. AICPA and HSCPA

The AICPA and HSCPA are tirelessly working to keep the CPA designation relevant, to maintain the talent pipeline, and to ensure CPAs continue to be the trusted source for tax, IT consulting, assurance, and financial reporting. In this fast-changing world, there are many challenges facing the profession, and the effort put in by the AICPA and HSCPA is honorable and impressive!

## 3. Y-CPAs

The Y-CPAs, led by Adrian Hong, continue to bring energy and excitement to the HSCPA and its events. With the many school visits conducted, they have positioned the profession well with high school and college students. The Y-CPAs' spirit of volunteerism has also made a positive difference in the com-

munity. We are in good hands with the younger generation of CPAs.

## 2. Giving Back

I'm thankful our membership is a committed group who support causes that benefit our community. When it comes to donating time and money to charitable organizations, it is no surprise to see CPAs leading the charge. When there is a need for CPAs to be advocates for legislative initiatives, there are many who volunteer their time and expertise. CPAs recognize the importance of their role in business, the community, and the world economy. They do their best to ensure that they leave a positive legacy, mentor the next generation, and take care of their clients.

## 1. Employable Skills

Although decreasing in recent years, majoring in accounting or taking accounting classes rewards students that persevere. Learning accounting provides a foundation and builds necessary skills to get a stable job and start a great career. Looking back on my career, taking accounting classes and getting my CPA were some of the best decisions I made. Great career opportunities are still available to students today and it's exciting to think what the future holds for them.

## Happy Thanksgiving

I wish all of you a HAPPY THANKSGIVING and I hope you agree with me that it's great to be a CPA and a member of the HSCPA!

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For more information and to sign up as a "Sparkler", contact HSCPA at [info@hscpa.org](mailto:info@hscpa.org).







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# So, you've decided CAS is right for your firm and clients. What's next?

By Kim Blascoe of CPA.com

You've [read articles](#) and the [latest research](#) highlighting the benefits of client advisory services (CAS). You've talked to other firms who have expounded the cases for expanding into higher level advisory services. You're now ready to take the next step for your own firm.

Where do you start? How do you translate that excitement into a practical plan to launch a CAS practice as efficiently and effectively as possible?

A good first step is to figure out where you're starting from. Building and growing a successful CAS practice requires a fundamentally new mindset and approach beyond traditional practice areas like audit and tax. Taking the time to [assess your firm's current strategy, structure and operations](#) will help you determine where you are already well-positioned to take on this new service area, as well as any gaps that you may need to focus on to ensure you're set up for success.

## Determining your CAS readiness

Starting a new practice area is challenging. It's complex. And there are many factors that will contribute to successfully getting it off the ground. Here are a few you'll want to consider and put into place, if you don't have it already:

- **Executive buy-in:** Firm leadership needs to understand the CAS opportunity and actively support the CAS vision from the start, signaling its importance to the entire firm. This

also requires an aligned definition of what "CAS" means to the firm – because it differs for everyone – and how the new service area fits into the overall firm strategy.

- **Clear strategy and governance plans:** Establishing a CAS practice requires a shift in mindset and an entirely new approach than traditional practice areas. Practice leaders will need to implement strong organization-wide change management and make critical decisions to establish the right firm structure, culture and account abilities needed to spur CAS growth and incentivize staff.
- **Dedicated leader and staff:** Great CAS practices are helmed by dedicated, full-time CAS leaders. These leaders are able to make connections with others in the firm, are comfortable in a technology-centric environment and inspire the professionals on their team to constantly learn and evolve along with the practice. Similarly, team members should be fully focused on CAS rather than splitting their time between CAS and other practice areas.
- **Services: Build off your strengths.** When determining what services your CAS practice will offer, start by considering what your firm currently offers and how you can evolve from there. If you're already delivering accounting and transactional services and helping clients manage their cash

flow, you can easily shift into that higher-level advisory work. But if your current services don't lead to conversations with clients about their goals and how you can help them get there, you may need to adjust your approach.

- **Industry focus:** Your firm can probably already claim expertise in several different industries based on its existing client list. Just as you should choose to offer services that match existing strengths, these industries should serve as the starting point for your CAS practice client roster. However, not all industries may be suited for CAS services. It's important to identify the right ones within your existing client base and create a niche focus for your practice.
- **Technology stack:** CAS practices rely heavily on enabling technologies – this is the only way to deliver high-quality services to clients at scale. Just as important, a strong technology portfolio creates a path to advisory-level relationships, since these technologies are excellent at taking on lower-level, time-consuming tasks, which give CAS professionals the time they need to focus on more strategic client issues.
- **Talent pool with diverse skillsets:** Successful CAS professionals often require different skills and mindsets than their peers in other practices areas. It helps to understand a CAS



client's overall business – not just the view afforded by typical accounting relationships – while they gather, analyze and harness large amounts of data and turn it into strategic insights. They need to be strong communicators. And they should be comfortable in a technology-centric environment. You may also consider hiring for non traditional skillsets, offshoring certain processes and investing in training to upskill existing talent.

### Your next step

CAS is constantly evolving and providing both opportunities and challenges, and navigating the intricacies of this practice area requires staying on top of

leading technology and having a deep understanding of your firm's operational strengths and areas for improvement. CPA.com offers a free CAS Firm Self-Assessment Tool designed to empower you to align your CAS practice with the profession's best practices and foster essential leadership conversations in your firm.

After completing the assessment, you receive a robust report that will help you more quickly build and fine-tune your CAS practice based on your firm's strategy, as well as identify potential gaps or hurdles in your operations before they become problematic. Our team is also available to help you unpack the results and identify initial areas of focus

and additional resources based on your customized result.

Taking the time to fully assess where you're starting from is your best next step to ensure you're starting with the best foundation to build and grow your CAS practice for the future.

*Kimberly K. Blascoe, CPA, Senior Director, CAS Professional Services, leads CPA.com's CAS 2.0 practice transformation programs, focusing on helping firms establish and grow optimized CAS practices through consulting, practice development and training offerings. Prior to joining CPA.com, Kim spent more than 30 years in public accounting, which included leading the CAS practice for a Top 20 firm.*



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# How to Create Policies for Expense Reimbursement and Company Credit Cards

By Jenna Blackwood of Boomer Consulting, Inc.

Every business needs sound accounting policies and procedures. While accounting firms often help clients identify the guidelines, they need to have in place to protect themselves, prevent fraud and operate efficiently, firms sometimes neglect their internal operations.

Two critical internal policies and procedures every firm needs to address are expense reimbursement and company credit card usage. These policies can help your firm establish rules that promote financial accountability among employees and avoid misuse—whether accidental or deliberate.

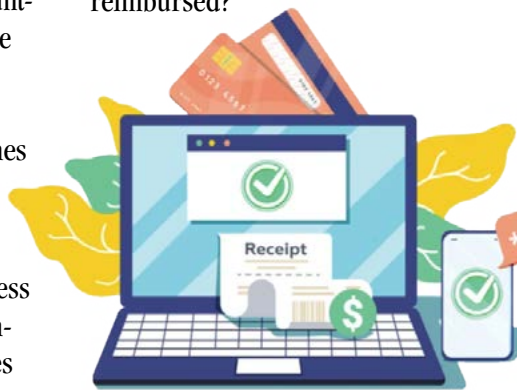
## Analyze your current business needs and create policies tailored to those needs

Understanding who typically has reimbursable expenses and how employees use company credit cards in your firm can help you create tailored policies that align with your existing business practices, anticipate potential pitfalls and address them proactively.

Some questions to consider include:

- Does everyone in your firm need a company credit card? Or only certain levels or roles?
- Should there be a waiting period before a new employee receives a credit card?
- What expenses do people typically have reimbursed or charge to a company card?
- Are any expenses charged back to clients?
- Are there any expenses partners or employees are regularly charging

to a personal card and getting reimbursed?



## Establish rules for when employees can use company credit cards and what types of expense reimbursements are allowed

Set clear rules and provide examples of acceptable and unacceptable expense reimbursements and company credit card charges. Being transparent about expectations promotes consistency and minimizes confusion among employees.

For example, your policy could explicitly state that employees can only use company credit cards for business-related expenses, such as travel, client meals, and office supplies. You might also include a clear list of non-reimbursable costs, including personal expenses, fines and penalties or non-approved upgrades on business travel. By providing examples, you make it easier for employees to understand and apply the policy correctly in their day-to-day work.

Also, you might consider limiting expenses employees can charge without pre-approval.

Some credit card issuers allow you to create custom rules for different card-

holders with monthly caps, frequency limits, or restrictions on individual expenses. But you can also have informal rules, such as requiring pre-approval for charges over a certain amount.

Clear policies and spending rules encourage fiscal responsibility and provide a safety net against extravagant or unauthorized spending.

## Set clear guidelines for reporting expenses and submitting receipts

Instilling habits for submitting expense reports on time is critical for maintaining your firm's financial health and stability. Early expense reporting helps you accurately track and manage expenses. Your firm's cash flow can be negatively impacted if employees delay submitting expenses for months and then submit a large amount of expense reports.

At Boomer Consulting, we require employees to submit their expense reports with receipts attached and a description within 10 days after prior month end to timely reconcile expenses.

## Identify the person or team responsible for authorizing expenses and approving reimbursements

A review process for expense reports helps ensure all expenditures align with your company's policies, guidelines and creates a culture of financial integrity and responsibility. It also prevents potential fraud and misuse of company funds, as you can catch and address irregularities during the review process.



Consider whether you will require a review of all expense reports or just those over a certain dollar amount. There may be a threshold where you may want to include their supervisor to final approve an expense report.

For example, at Boomer Consulting, any expense reports greater than \$1,000 are sent to Jim Boomer, our CEO, for review so he is aware of larger expenditures and can expect more cash out. I also forward him on reports that are questionable what chart of account or budget the expense should fall under. This works for our company, but in a large firm with hundreds of employees submitting expense reports, you might want to have a manager sign off on the expense reports of their direct reports before reimbursement.

## Providing training on expense management software

If you use expense management software, train all employees on using these tools.

At Boomer Consulting, we use Expensify for expense management. It uses machine learning to scan and categorize receipts and record the date and amount. However, we also provide a cheat sheet with categories for different expenses to help employees organize them. This makes it easier to determine which category various common expenses fall under if Expensify doesn't recognize it.

We've also trained people to review Expensify's entries because technology isn't infallible. It occasionally misses the tip on the receipt, inputs the wrong date or misses a decimal point if the receipt is not lucid enough.

Having clearly defined policies on expense reimbursement and company credit cards can help you create a culture that encourages employees to use company resources responsibly and helps protect the firm from potential misuse of resources.

By taking the time to consider the various ways employees use company funds, you can create policies that work for your firm.

*As Financial Operations for Boomer Consulting, Inc., Jenna is passionate about the administrative side of business—both internally and externally. Her primary focus is on the company's payroll, human resources, and accounting. Before joining Boomer Consulting, Inc. as a Solutions Advisor in 2018, Jenna owned a home health agency for three and a half years.*



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# The Importance of Cybersecurity in Modern Day

By Stan Sterna and Nicole Graham

Cybercriminals love to exploit a crisis – and unfortunately during a time of turmoil like we’ve seen in recent years, data incidents are more prevalent now than ever before. Infiltration can happen anywhere and with an even greater frequency considering the dependence on technology by industries worldwide.

As aggregators of data, CPAs are prime targets for cybercriminals. Bad actors often design and shape their tactics to specifically exploit the accounting profession’s increase use of technology such as cloud-computing, smart devices, and electronic communications. As such, CPAs relying on technology for convenience and to perform daily tasks, need to be prepared for the worst should they fall victim to a breach.



Generally, cyber-attacks against CPAs fall into three main categories: ransomware, selling stolen data, and committing theft of client funds. Ransomware typically involves cybercriminals using malware to deny user access to systems and demanding payment in an untraceable digital currency in exchange for a decryption key to unlock the files. Some criminals steal data specifically for profit, attempting to sell infiltrated con-



fidential data on the Dark Web. Social engineering schemes involve cybercriminals posing as clients and making fraudulent wire transfer requests to dupe a CPA to transfer client funds.

## The Risks of Practicing Remotely:

In a world where remote work has become more common, the probability of a cyber breach has likewise increased. While routers set up in CPA firms are typically designed to provide security, home routers can be susceptible to a breach. For example, home routers can be improperly configured, creating an opportunity for hackers to exploit security weaknesses. The goal of a cybercriminal is to attack the vulnerabilities within the home router design. Therefore, it is crucial for CPAs to understand the risks associated with using such devices and work to mitigate them. CPAs should assess their home routers to ensure that it is properly configured and adequately patched with the most recent firmware.

In addition to keeping your home router updated year-round, it’s important for

CPAs to keep an eye on how they conduct and discuss business using both their personal as well as employer-owned devices. Many CPAs think that using employer-owned technology fully protects them from a data incident; however, this practice can expose confidential firm and client data.

For example, using a company VPN provides additional security when logging into a public Wi-Fi network, but it is not foolproof. Additionally, if a CPA chooses to use their personal cellphone for business, it is recommended to use secured technology and devices recommended by the CPA firm. It is also advised to avoid using SMS texting and/or voice-based Multi-Factor Authentication systems. [Microsoft has identified](#) both forms of authentication as having security vulnerabilities, potentially exposing other data stored on phones.

## What Your Firm Can Do to Mitigate the Risks:

Although a cyber incident cannot be completely avoided, there are still things



that CPA firms can do to mitigate the risks. Staff should be trained on the vulnerabilities that exist in a remote work environment and how they can be avoided. For example, training on how to secure devices prior to logging into a public Wi-Fi network and what to look out for can act as a great first line of defense. It may be helpful to reinforce existing firm policies on the use of technology in the workplace and how to maintain the privacy and security of confidential information. Sometimes a refresher can make all the difference and can save your firm from a cyber event. Instead of implementing an annual exercise of revisiting policies, training on privacy and security should be a continuous activity.

In addition to training and reinforcing data security protocols, firm leaders can help mitigate the risks by placing an emphasis on security. One of the many tactics of cybercriminals is to go after vulnerabilities within firm-owned devices. Firm leaders can invest in security patches that correct and address known vulnerabilities and weak points in the current technology. Monitoring active devices and systems within the firm is crucial to making sure everything is up-to-date with added security patches and antivirus solutions.

As a CPA firm leader, it is important to keep the conversation about data security alive and well within your firm. Creating a culture of cybersecurity awareness is key. Sending out friendly reminders to firm employees that emphasize the importance of proper practices is a good start in identifying the risks and steps for your staff to follow. Steps to share can include:

- Employees should only use firm-issued or approved devices to access company resources.
- If employees are using personal devices for business purposes, employees should strengthen the security settings on their devices. Electronic work files from company resources should remain on company-issued or approved devices and not placed on personal devices.
- Reinforce how to identify phishing emails.
- List the preferred tools and platforms employees are to use such as cloud storage platforms, portals for sharing information and virtual conferencing tools.
- Provide employees with clear guidance on how to report technical issues and empower them to report suspicious activity

All in all, a security breach is something that every CPA wants to avoid. Although the risk cannot be completely eliminated, there are still ways to lessen the chances of an incident. In a world where remote work is the “new normal,” cybersecurity should be a high priority for all CPAs. Simply revisiting training, implementing safety procedures, and keeping your technology up-to-date, can go a long way in lessening the chances of a security incident.

*Stan Sterna, Esq., is a vice president with Aon Insurance Services, providing strategic quality control, claim/litigation management advocacy and risk control consultation to some of the country's largest accounting firms.*

*Nicole L. Graham, Esq., is a risk consultant with Aon Insurance Services, delivering risk management consulting services to regional accounting firms to assist them with mitigating professional liability risks.*

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*In Memory Of  
George P.G. Kim  
1941 - 2023*

Our sincere regret at the loss of a colleague,  
friend and member of the HSCPA since 1969.

We wish to express our deepest sympathy  
to his family and friends.

# 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!



**CPAs**

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## 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.



# Norman's Book Review

## "K.I.S.S." *Keep It Short and Simple*

by Dr. Trina Wiggins



With Thanksgiving and the holiday season fast approaching, I wanted to feature a health-related book to keep our mind and body strong through the holidays and into 2024.

I was drawn to Dr. Trina's book because it was colorful, oozed positive energy, and had great tips to keep us healthy. She passionately wants everyone to "live a less stressful, more positive, and overall healthier, happier life." Dr. Trina is a pediatrician in Las Vegas who got her BA degree in Human Biology from Stanford University and her MD degree from Washington University School of Medicine. She was the first African American gymnast at Stanford. She and her husband Dr. Carl Allen have three children and one grandchild. She still competes in fitness and body building competitions, and is the CEO of Opt2bfit, whose mission is to "plant the seeds of healthy behaviors in children by sponsoring fitness camps to sustain a healthy lifestyle for a lifetime." This is the [link](#) to her 2021 World Fitness Alliance performance, and this is the [link](#) to her online interview about "Staying Fit Through The Decades."

The following are simple health tips from Dr. Trina which I thought you would find useful or would be good reminders for those of you who live a healthy life.

### Stay Consistently Consistent

I thought this was a catchy phrase to remember. The most important thing Dr. Trina has learned over the years is

this: "to get the results you want from any nutrition or exercise program, you must stay consistently consistent."

### Find Your Own Sweet Spot

Being a doctor, Dr. Trina has learned over the course of her career that "every person is unique and what is optimal fitness and workout is different for everyone. It is about finding that sweet spot where you feel at peace with your life, your body and your choices."

### 10-20-30 Interval Training

Dr. Trina noted that smaller intervals of exercise are just as effective as hour-long sessions. She detailed the 10-20-30 interval training method where you do an activity you like for 30 seconds at a moderate pace (30% of max intensity), then 20 seconds at a faster pace (60% of max intensity), then finally 10 seconds at a much faster pace (90% of max intensity). Do this for five cycles then rest for two minutes. Repeat this 30 times so you have 30 minutes of exercise. "This workout structure will allow us to achieve better outcome in half the time, and time goes by quickly."

### 7-Minute Workout App

Dr. Trina's all-time favorite app is 7 Minute Workout. It is the number one fitness app in more than 125 countries because it keeps exercise short and simple and is free! It involves 12 high-intensity bodyweight exercises that you



perform for 30 seconds each with a 10-second rest in between each exercise.

### Simple Way to Enhance Your Exercise

Simple and great tip: To enhance any workout or just doing household chores, add ½ pound to 1-pound wrist or ankle weights.



### Minimize the "Salty Six"

To reduce your salt consumption, Dr. Trina recommends minimizing the "salty six": breads, cold cuts and cured meats, pizza, poultry, soups and sandwiches.

### Try Meatless Days

To control how much cholesterol we eat, Dr. Trina recommends we incorporate meatless days throughout the week and reduce our portion sizes.

### It's All In Your Hand

An excellent visual in the book was using your hand to determine portion size. Your fist or cupped hand = 1 cup, your palm = 3 ounces of meat, your thumb = 1 ounce of cheese, your thumb tip = 1 teaspoon, a handful = 1-2 ounces of snack food, and 1 tennis ball = 1 serving of fruit.

### Slow Carbs Are Your Friend

Slow carbs (aka complex carbs) are your friend because they take more time to breakdown in your body, which



minimizes spikes in your blood sugar. Slow carbs include 100% whole grains, rolled or steel-cut oatmeal, sweet potatoes, yams, lentils, legumes, beans, quinoa and non-starchy vegetables such as asparagus, green beans, brussels sprouts, cauliflower and broccoli.

### "The Rule of 10's"

Dr. Trina stated that the easiest way to remember her dietary tips is what she calls "the rule of 10's" – you should make sure that the fat, salt, sugar and cholesterol of the food you are eating are each below 10% of the daily recommended value (DRV). Additionally, check that the fiber and vitamins are all about 10% of the DRV.

### Say YES to Healthy Fats

Did you know that your brain is composed of 60% fat, the fattiest organ in the body? I didn't. Healthy fats are essential for optimal brain development and nerve cell messaging. Healthy fats include wild-caught salmon, tuna, trout, herring, nuts, seeds and avocados.

### Try Chair Aerobics

If your body is achy or body movements are a challenge, try chair aerobics. Dr. Trina recommends doing the "Best Chair Exercise Routine Ever!" by Alexis Perkins five times for a total of around 15 minutes. Do as many cycles as possible.

### Build Muscle

Since muscle strength naturally begins to decline around age 40, Dr. Trina noted "it is imperative to incorporate strength training into your regimen so you can avoid injuries related to muscle weakness." Body strengthening

exercises include planking, push-ups, tricep dips, lunges and toe raises. Use resistance bands to increase the intensity of your workouts!

Can't do it on your own? Consider joining

**SWEAT + SOUL**

a [barre workout class at Sweat + Soul](#) to be inspired. It's not easy, but good for the soul! Executive Director Kathy has been doing it for 8 years and swears by it.

### Dr. Trina's 9 Habits For A Better Life

- **Decompress:** She uses a Teeter inversion table.
- **Meditate/Prayer:** She spends at least 5 - 10 minutes each day meditating.
- **Rehydrate:** After meditating she drinks 20 ounces of room temperature alkaline water with electrolytes.
- **Dynamic Stretching:** She performs 5 - 10 minutes of dynamic stretches after properly rehydrating herself.
- **Strength Training:** She spends 10 - 15 minutes on her strength training exercises.
- **Do Cardio:** She typically does 30 - 40 minutes of cardio training, broken up into 10 - 20 minutes segments throughout the day.
- **Shower:** She takes a warm shower to relax and stretch.
- **Eat Breakfast:** She has her daily superfood smoothie, oatmeal and a few other healthy items to restore her energy levels.
- **Constant Movement:** She makes it a point to stay active throughout the day.

### Dr. Trina's 13 Tips for Success

- Think like a winner.
- Set your goals and make a plan.

- Declutter your mind and home.
- Create a to-do list for organization.
- Make your workout a scheduled appointment.
- Choose your circle carefully.
- Find people to look up to.
- Reduce your screen time.
- Limit news exposure.
- Laugh and smile more.
- Practice saying no.
- Do a good deed and help someone.
- Just integrate fitness.

### Dr. Trina's 7 Daily Stress Busters for Work

- Take movement breaks.
- Minimize caffeine intake.
- Optimize lighting.
- Declutter your desk.
- Build an oasis.
- Use essential oils like lavender.
- Create positive wall reminders.



### Summary

Dr. Trina's book also has excellent recipes, food tips, supplement suggestions, website references and a 12-week workbook at the end of her book to enhance your mind and body fitness. She hopes we "find lasting balance by implementing one small habit or change at a time and finding smart but simple solutions we can stick to for the rest of our lives." I really enjoyed her book and it inspired me to improve my mind and body for a happier life. Much Mahalo, Dr. Trina!!!

# TAX FOUNDATION OF HAWAII

Hawaii's Watchdog on Taxes & Government

By Tom Yamachika



If you're not already a supporter of the Tax Foundation of Hawaii (TFH), it's never too late. TFH is the 'watchdog' for Hawaii taxpayers and keeps us informed of what the government is doing with taxpayers' money. To support TFH's mission, [please donate here.](#)

## Hawaii the Sinkhole State



We just got through with a legislative session where, due to anticipated federal aid to our state, we seemed to be swimming in money

and were finding money for all kinds of things. At the end of session, however, our Council on Revenues dropped our revenue forecast by a Billion Dollars and our Governor used his line-item veto to balance the budget by making a few cuts here and there (including a \$500 million cut to an appropriation to our rainy-day fund). So, at the end of budgeting, we were not fat, dumb, and happy like we were anticipating, but were instead a little less fat.

But is that the whole picture here? The national think tank Truth in Accounting says it isn't. [That organization analyzed the comprehensive annual financial reports from states at the end of fiscal year 2022 \(the latest available\)](#) and tried to get at the true picture. They put in long-term costs for the state pension plan (about \$9.0 billion) and post-employment health care (about \$7.6 billion). They concluded that Hawaii had \$11.2 billion available to cover \$22.6 billion worth of bills. It concluded that Hawaii has an overall taxpayer burden of \$23,100 per taxpayer, earning a spot in the bottom five states with Massachusetts, Illinois, Connecticut, and New Jersey.

Hawaii ranked 46 out of 50, receiving

an "F" financial grade, which the report awarded to any state with a taxpayer burden greater than \$20,000. Six states including Hawaii received "F" grades.



This reminds us that we can't simply dismiss the promises we made to our state workers back in days of old when times were better. The OPEB issue (standing for Other Post-Employment Benefits) is a big problem nationwide, but it is critical here since we promised some state employees that we would pay their healthcare costs for life. We can't simply hope the issue goes away; we still need to grapple with the fact that people are living longer, health care costs are rising, and those factors mean that lifetime post-employment healthcare will cost us more than we thought when we made the promises.

The same goes for our pensions. We pay our retirees a set amount (because our retirement plan is a "defined benefit" plan) without regard to whether the amounts contributed plus the investment earnings on those amounts is sufficient to pay for it. It's no secret that such plans are now exceedingly rare in the private sector. [Further, over the years, lawmakers had dipped into pension fund earn-](#)

[ings to use some of them for other things](#), leaving the fund little or no wiggle room to handle years in which earnings were less than expected.

On occasion, lawmakers have tried to mandate financial responsibility, as when they in 2013 [enacted a law](#) that sequesters state tax revenues when state or county governments failed to make required contributions toward their OPEB obligations. The law needs revisiting—for example, the law enforced county contributions by sequestering state Transient Accommodations Tax (TAT) money headed for the counties. A few years ago, the state stopped sending TAT money to the counties altogether, deciding that the counties should impose their own TAT.

Lawmakers have returned to the Capitol to prepare for the 2024 legislative session. As they think about ways to handle the issues du jour, namely the Lahaina fires and their aftermath, they absolutely must come up with a plan around the financial tinderbox the State created for itself when it adopted its pension and post-employee health plans.

*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.*





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Giles has 25 years of public accounting experience, including 18 as a partner in a large firm, and now help firms and businesses use science and good processes to hire fast, but with confidence.





## Introducing Y-CPA Squad Member Dharyl Bongbonga!

By Kira Kaneshiro



The HSCPA's Y-CPA Squad is excited to welcome our newest member, Dharyl Bongbonga! Dharyl is the Assistant Controller at AlohaCare, a nonprofit, managed-care organization, and a part-time Accounting Lecturer at the University of Hawaii at West O'ahu. I interviewed Dharyl to learn a little more about his journey in accounting and his time with the HSCPA.

### KK: How did you decide to pursue a career in accounting?

DB: My journey of obtaining a Bachelor's in business administration with concentrations in Accounting and Finance is a story of second chances. I did not make a good transition going from high school to college student and dropped out of college. When the chance came to obtain my associate's degree at Leeward Community College, the accounting classes just made sense to me. The idea of pursuing a CPA license became an opportunity to prove myself.

### KK: What do you enjoy most about your career?

DB: I love the flexibility that it brings. I am able to work a

hybrid schedule and complete the bulk of my tasks from home. More than that though, is the fact that all businesses need accountants so there is flexibility in the business and jobs that I can work in. One of the most satisfying aspects in my current role is working with a mission-driven organization serving many of Hawaii's underserved population.

### KK: How did you get involved with the HSCPA and the Y-CPA Committee, and what have you enjoyed about your time so far?

DB: I got involved with the HSCPA when I was working at CW Associates, CPAs and was encouraged to join by fellow coworkers. (The) rewarding parts have been connecting with high school students and peers in the accounting and business industry.

### KK: What are you most looking forward to as a new member of the Y-CPA Squad?

DB: For me, joining the Y-CPA Squad means challenging myself to develop professionally. I look forward to making more connections with fellow CPAs and building connections with the community.

### KK: What is the best advice you've ever received?

DB: The best advice was from my General Manager, Diane Seiji, when I was working at McDonalds. She taught me the importance of investing early and often when it came to my 401k and "setting it and forgetting it."

### KK: How do you like to spend your free time?

DB: I love to dance and teach Zumba. It is my preferred cardio because there are always new variations and styles that keep it fresh. It is my preferred way to dance, because while there may be choreography, there is no strict way on how to move.

Thank you, Dharyl, for your contributions to the Y-CPA Committee! We look forward to continuing to work with you on the Y-CPA Squad!

## Hawaii Practices For Sale

**Gross revenues shown:** Lihue (Kauai Island) CPA \$271K; Kamuela/Waimea Area Tax & Bookkeeping. \$225K; Kailua-Kona, HI CPA \$600K; Honolulu, HI CPA \$250K; Kauai, Maui, Honolulu CPA \$530K; For more information, please call 1-800-397-0249 or visit [www.APS.net](http://www.APS.net) to see listing details and register for free email updates.

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# CPA FIRM MICROCOMPUTER TECHNOLOGY

By Joy Takaesu of The CPA Collective



Google announced that it will be making passkeys the default “passwordless” login method for personal accounts. This would allow users to log into their accounts using their device’s own authentication method, such as a fingerprint or face scan. Passkeys are a newer authentication method, gaining support from companies and organizations such as Apple, Google, Microsoft, the World Wide Web Consortium, and the FIDO (Fast Identity Online) Alliance. Google claims that passkeys are 40% faster and more secure than using passwords. Google will start prompting existing users to create and use a passkey, and the “Skip password when possible” setting will be turned on by default. Users who do not wish to use passkeys can opt to turn off the setting to disable the passkey prompt.

The recommendation for securing accounts has been to use multifactor authentication, which is defined by the National Institute of Standards and Technology as: “Authentication using two or more factors to achieve authentication. Factors are:

- something you know (e.g., password/personal identification number);
- something you have (e.g., cryptographic identification device, token); and
- something you are (e.g., biometric).”

For example, many users log into their accounts using a password, plus a temporary one-time code that they receive via text/SMS or an authentication app. That way, even if a password is compro-

mised, a bad actor still would not be able to access an account without the one-time code.

Passkeys are a newer authentication standard that is meant to be a secure passwordless alternative. When you create a passkey for a website, it generates a public key that’s registered by the website, and a private key that is stored on your phone or other device. After setting up a passkey, in order to log into that website, you would authenticate using the same way you would unlock your phone (e.g. face ID or fingerprint). No biometric information is actually sent to the website or app that you’re logging into. The biometric data is only used to unlock the passkey locally on your device.

Passkeys are designed to be faster and easier to use compared to managing and typing in passwords and codes. Since passkeys only exist on your authorized

devices, they are resistant to brute force attacks, phishing attempts, and third-party data breaches.

Passkeys still have some limitations. Passkeys are device-specific. Setting up additional device may require Bluetooth or scanning QR codes. Some services allow syncing between devices, but only within certain platforms. If you lose a passkey device, you would need another way to sign in. Most services allow you to log into a different device using another sign-in method, such as your password and a one-time code, and then you could remove the passkey from the lost or stolen device. Passkeys are still relatively new and have limited but growing support. Passkeys.io maintains a list of major websites that support passkeys.

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

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