

SEPTEMBER 2025



# KĀLĀ

The Official Publication of the Hawaii Society of Certified Public Accountants



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# President's Message

By Dr. Frank Kudo

I was recently asked about the advantages and disadvantages between a centralized versus decentralized organization. This goes for both nonprofit- and profit-oriented enterprises. It is an important question that is really focused on control and the governance of an organization.

Let's suppose you have a corporation with many subsidiaries operating throughout the world producing many products and providing services to your worldwide customers. You have been pondering whether to reorganize or leave the decentralized organization framework of the company. The consolidated operation is large with many operating units and direct reports from around the world. The organization has recently been dealing with a lack of adequate resources to grow and develop as well as a loss of focus on the strategic goals and mission the enterprise had once embarked on. So, now is the time to make a decision ... do I centralize the organization or leave it in a decentralized form?

You start to research the advantages and disadvantages of centralizing the company. You find that centralization works in basically a homogeneous environment where many things

are similar. That your company and the countries it operates in basically follows the U.S. policies and customs and not the foreign countries' cultural or regional practices. The employees are treated as if they are from the U.S. You don't use too many foreign suppliers, only a few, and for the most part, raw materials and part kits are delivered from the U.S. You borrow money from foreign banks on a limited basis and most of the funds and working capital needs are met by the parent company in U.S. dollars. The products produced throughout the world are similar as commercial products such as soaps, detergents, solvents and cleaners to factories and businesses.

The major reason you are in foreign countries is to better service your customers and to obtain critical feedback on your products and services. The company has a good reputation with the foreign governments where it operates and has agreements in place that basically provide mutual benefits to both parties. By centralizing, the decision making will be made from the U.S. headquarters, including the CEO and his executive team. The Presidents of the foreign subsidiaries will not have that final say on major decisions, only input. In addition,

the 'back office' functions such as accounting, IT, procurement, contracting, and human resources will be taken over by the headquarters, thus saving considerable administrative overhead costs. The CEO and his/her team will make all of the allocation of resources to each subsidiary depending on how each subsidiary performs and future expansion plans. By centralizing, it appears that the company will save funds and be able to make decisions on allocation of resources at the headquarters.

The assumption is that the decision(s) coming from headquarters will be right and not wrong. That physical distance from their foreign subsidiaries will not be a problem, as they do not have to take into account cultural values, traditions, and beliefs of the communities when making major business decisions. The foreign subsidiary executives will provide feedback and information about the operations and customers in their markets to headquarters on a regular basis.

The above scenario it is one of a homogeneous environment. Each foreign subsidiary is not deeply integrated into the culture, community or businesses of the

*Continued on Page 15*



# One Spark A Thousand Futures

## Accounting OPPORTUNITIES EXPERIENCE

The HSCPA is proud to designate **October and November 2025** as the official months for the Accounting Opportunities Experience (AOE) at Hawaii high schools!

This collaborative effort with state CPA societies and the AICPA aims to ignite student interest in accounting and spotlight the countless career paths the profession offers.

We invite you to share your story and career journey by visiting a local classroom — in person or virtually. Your presence and insights can make all the difference.

Interested in participating? Please complete the AOE Volunteer Form [here](#), SAVE it, and email it to [info@hscpa.org](mailto:info@hscpa.org).

Presentation dates are being coordinated based on teacher requests and classroom availability. However, you'll have the opportunity to choose the school and class you'd like to visit. Most presentations run approx. 1 hour with 10-20 students.

**Become a Sparkler — Your commitment sparks curiosity, pride, and possibility in tomorrow's CPAs!**

### Accounting OPPORTUNITIES EXPERIENCE

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*We're Volunteering!*



# 4 Retirement Law Changes CPAs Should Know in 2025

By Zachary Keep of Paychex, Inc.

You don't need to keep up with the news to know America is facing a retirement crisis. Social Security is projected to reduce benefits by 2034. Millions of Americans—by some estimates, nearly half—lack significant retirement savings. For smaller businesses, the lack of access to employer-sponsored plans exacerbates the issue.

This moment brings opportunity. The SECURE 2.0 Act and new state-level mandates are reshaping retirement strategies, providing your firm with new opportunities to modernize offerings and act as a trusted advisor.

## 1. SECURE 2.0 has raised the incentives

In 2022, SECURE 2.0 ushered in one of the largest recent expansions to retirement legislation. Businesses with up to 100 employees gained a tax credit for covering 100% of plan startup costs, capped at \$5,000 annually for three years. The legislation also introduced a new credit to offset employer contributions, phased in over five years: 100% in years one and two, 75% in year three, and so on.

But that's not all. SECURE 2.0 also updated auto-enrollment rules. Employees must be enrolled at a 3% minimum, with the option to opt out or adjust

their rate. That expanded eligibility lowers the barrier for part-time employees by requiring that those who have worked at least 500 hours per year for two consecutive years be eligible to participate in their employer's 401(k) plan.

The other notable change is the introduction of Roth catch-up contributions for employees aged 50 or older who earn \$145,000 or more annually. Before 2025, individuals aged 50 and older could save an extra \$7,500 in catch-up contributions. That amount is now \$10,000, or 150% of the catch-up limit.

**Why it matters:** Together, these changes make retirement more inclusive, especially for small employers trying to attract top talent. Understanding these credits and requirements gives you a perfect chance to optimize benefits and truly position your firm as a strategic advisor.

## 2. PEPs offer big plan benefits without headaches

Running a retirement plan is daunting for many small businesses. Pooled Employer Plans (PEPs), introduced under SECURE 1.0, simplify plan sponsorship by letting businesses share responsibilities through a centralized structure.

Traditionally, setting up a 401(k) required employers to bear the

full weight of plan management, encompassing compliance and fiduciary responsibility, as well as annual audits. PEPs change that equation. By allowing unrelated businesses to participate in a shared plan overseen by a pooled plan provider (P3), PEPs centralize most administrative and fiduciary responsibilities. This structure reduces employer liability and operational overhead, making it simpler for business owners to offer quality retirement plans without becoming experts themselves.

For small business clients, a PEP can offer access to:

- Institutional-grade investments, usually reserved for large corporations
- Streamlined plan onboarding and employee education
- Centralized compliance monitoring and simplified reporting

Most importantly, SECURE 2.0 clarified that joining an existing PEP still qualifies as creating a "new" plan. This change unlocks full eligibility for the tax credits associated with plan startup and employer contributions. For business owners, PEPs deliver simplicity, security and savings.

**Why it matters:** When clients lean on your firm for retirement advice, recommending a PEP can help them skip administrative

complexity while still offering a robust plan. It's a way to add value without more risk.

### 3. State mandates are driving plan adoption

As of 2025, more than half of U.S. states have implemented or are in the process of rolling out state-sponsored retirement mandates. These laws generally require employers of a certain size to either offer their qualified plan or enroll employees into a state-facilitated individual retirement account (IRA) program. While these programs are a step in the right direction for expanding access, they often come with limitations.

State-run plans are typically Roth IRAs with lower annual contribution limits and no employer match option. Plan design and investment options are limited, which may lead to lower employee engagement. However, these mandates do serve an important purpose: They prompt businesses to consider retirement offerings.

For many employers, a private 401(k) plan offers more value:

- Higher contribution limits: \$23,000 annually for employees under 50, additional catch-up for those 50+
- Employer match potential to stand out in competitive markets
- Flexibility to tailor features like vesting schedules and loan provisions

**Why it matters:** This is a prime opportunity to educate clients, clarify their options and recommend plans that meet both compliance and compensation goals. Your reliable advising throughout the process adds value and deepens client trust.

### 4. New trends look to reshape the landscape

Retirement strategy now extends beyond setting up a 401(k) plan to knowing how employees interact with it. Today's forward-thinking employers are embracing new tools and innovations that offer enhanced financial wellness, portability and personalization. For example, take Health Savings Accounts (HSAs). They are increasingly positioned as companion savings tools because they offer triple tax benefits:

- Contributions are tax-deductible
- Growth is tax-free
- Withdrawals for qualified medical expenses are also untaxed

These incentives make HSAs attractive to high earners and long-term savers, especially for future healthcare costs.

SECURE 2.0 also added provisions to simplify the transfer of small accounts from job to job. Additionally, the Department of Labor is working on a national retirement "lost and found" database to help workers locate old 401(k)s. These efforts aim to reduce plan leakage and increase continuity.

Lastly, artificial intelligence is transforming how participants engage with their retirement plans. From chatbots offering instant advice to algorithms suggesting personalized savings rates, AI tools are becoming integral to retirement readiness. They also help employers monitor behavior and optimize plan design.

**Why it matters:** Staying ahead of these trends helps clients future-proof their benefits strategy. Your firm can provide proactive guidance and reinforce their value throughout the year.

### Embrace every opportunity

Whether you're helping a client weigh their options or evaluating your own firm's retirement plan, this is a critical time to take action. Powerful incentives, emerging solutions like PEPs and rising pressure from state mandates are moving retirement planning from optional to essential.

The good news? With the right resources and insights, you can help clients navigate these changes with confidence, building stronger businesses along the way. A full, hour-long webinar is available on-demand for more details on the current retirement law environment, watch it [here](#).

Guest contributor Zachary Keep has been involved in both the retirement industry for nearly 15 years and has extensive experience navigating compliance issues for both 403(b) and 401(k) plans.





By Donny Shimamoto, CPA.CITP, CGMA

## When CPAs Are Asked to Hide Their Credentials: Ownership, Regulation, and Public Trust

For most CPAs, those three letters after our name are more than a credential—they're a symbol of ethics, achievement, and trust. But in some firms and states, CPAs are being asked—or even required—not to use the designation in business communications.

Why? The answer lies in a mix of outdated state rules, alternative practice structures, and private equity pressures. And the consequences affect not just CPAs, but the public's trust in our profession.

### The pride—and problem—of “CPA”

Many CPAs remember the excitement of first adding “CPA” to their business cards or email signatures. It was a milestone that reflected years of education, experience, and exam preparation.

But in some alternative practice structures—where firms split into licensed and unlicensed entities to allow

non-CPAs to be owners—professionals working in consulting or tax are told they cannot use “CPA” at all, even if fully licensed.



Add to that a patchwork of state rules: some require CPAs to display their name exactly as listed on their license, others dictate how or when credentials may be used—and firms that operate in multiple states face additional complexity in trying to comply with all of the states' rules. Thus, some firms are opting to tell their people to not show their CPA. This isn't a firm issue; it is a regulatory issue.

### The trust paradox

Regulators argue these restrictions protect the public from assuming assurance work has been performed where it hasn't. But how much of the general public actually understands what an audit is and how audited financials are different from unaudited financials? Most users of financials statements are other business professionals who are trained to understand when they can trust financials: bankers, insurance agents, investors, etc.—not the general public.

The majority of the public views CPAs as tax preparers. Being able to show CPA on a business card or website does help the public to know that the person can be trusted to prepare their taxes. Yet licensure is primarily associated with delivering audit services. Does our current licensing model actually create trust in the right way?

# and the Trend continues...

Hiding the designation, some argue, undermines transparency and ethics rather than strengthening them. If no one shows their designation, how will the public know who they can trust?

## Ownership and duty to the public

For much of the profession's history, firms had to be 100% CPA-owned. By the 1990s, most states still required majority ownership by CPAs—rules meant to safeguard the high ethical standards of the profession.

Today, private equity investment and alternative structures are challenging that model. Firms often separate into CPA-owned audit practices and non-CPA-owned advisory or tax affiliates. While this creates opportunities for growth, it raises the question: does loosening ownership rules risk shifting the profession's focus from public duty to investor profit?

As one CPA leader noted, "If you remove CPA ownership

requirements, firms risk becoming profit-driven corporations beholden only to shareholders. The profession's duty to the public must come first." This duty to the public is one that no other profession upholds—even doctors and lawyers advocate for their clients first—not the general public as a whole.



Two recent Accounting ARC podcasts dive into this debate:

- [Licensed But Silenced: The CPA Dilemma](#)
- [Who Owns the CPA Firm of the Future?](#)

Industry leaders warn that loosening ownership rules risks putting profits ahead of public trust.

## Protecting the profession's future

The debate is about more than firm structure or compliance technicalities.

It's about whether the CPA remains the gold standard of trust—or fades into sea of other credentials.

To protect the profession, we need to:

- Revisit outdated and inconsistent state laws and regulations;
- Ensure ownership structures preserve ethics and duty to the public; and
- Show the next generation that licensure is more than just a credential—it's a commitment to serving the public to #improvethe world.

At its best, the CPA designation represents integrity, competence, and service to the public. Asking professionals to hide it does more harm than good. How else will the public know who they can trust?

Donny C. Shimamoto, CPA, CITP, CGMA, is the Inspiration Architect for the Center for Accounting Transformation, enabling transformation by guiding professionals through the adoption of changes required to modernize the accounting profession. He is also the Founder and Managing Director of [IntrapriseTechKnowlogies LLC](#), an advisory-focused CPA firm dedicated to improving the world by helping small and mid-sized entities (SMEs) accelerate their business transformations while managing the risks and budget to ensure success.



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# CLASSROOM HEAT



the presses!" The Hawaii State Tax Watch Doggie burst into the room.

"What?" I turned around and squinted at the Doggie. "We don't even have presses. We do everything electronically these days. Website. Email."

"But I just wanted to say that!"

"Okay, so what's the big news you have that is worth stopping the presses?"

"The State Auditor came out with a new report about the Cool Schools initiative."

"Oh, yes, about ten years ago Governor Ige kicked off an effort to get air conditioners into public school classrooms. We wrote about that in 2020 and 2023. At first, people in the community were more than willing to donate air conditioners to school classrooms. But the ancient wiring in the classrooms couldn't tolerate the electrical load, so lots of circuits were blown."

"Then, the Department of Education folks figured that they could solve the problem by installing solar air conditioners. But they conked out midway through the school day, and perhaps earlier if it were rainy or cloudy. The units could only run four or five hours a day."

"So, according to reporting at that time, the DOE spent more than \$120 million, \$130,000 per classroom, for air conditioning that didn't work. Then they rolled out a new program, the School Directed AC Program, to leave the installation and heat abatement work to the individual schools. Is that what the Auditor found?"

"No. The Auditor doesn't really know what happened to that money. Here's what they said:

The objectives of this follow-up effort were seemingly straightforward: Report on how DOE expended \$100 million that was appropriated through Act 47, SLH 2016, for the Cool Classrooms Initiative; describe DOE's process to air condition classrooms under the School Directed AC program.

They were not, far from it.

For both follow-up efforts, we found that DOE could not provide straightforward answers to our seemingly straightforward questions. As previously mentioned, because the department provided us with inconsistent, incomplete, and sometimes contradictory information, the total cost and the breakdown of the amounts expended under the Cool Classrooms Initiative that we report are estimates, the best achievable accounting – by us, not DOE – of the amounts DOE spent. Paradoxically, the more information that we were able to gather from DOE and its contractors, the less clarity there was about how much was spent, where it was spent, and what it was spent on.

Similarly, at the start of our follow-up of the School Directed AC program, we made what we thought was a simple request: Please provide us with a list of schools that have participated in the School Directed AC program. DOE, however, was never able to provide us with such a list or other basic details about the



program, such as its budget. We did learn that DOE had limited participation in and knowledge of the program.

At the end of our fieldwork, the present and the future of DOE's heat abatement efforts were unclear. Has the School Directed AC program been officially rescinded? If so, what policy replaces it? We don't know the answers to those questions, and at the time, it didn't appear DOE knew either."

"You know, Doggie, this is very concerning to me. Now I can see that people might be a little sloppy with their own

record keeping. It's their own money. They might be called on it later, in a tax audit or such, but only they bear the consequences of their action, or inaction."

"Even businesses are supposed to keep bookkeeping records so they can figure out what they spent money on, how much was spent, and where they spent it. But the Auditor is saying that we taxpayers gave the DOE more than \$100 million of public money and they can only guess as to what happened to it."

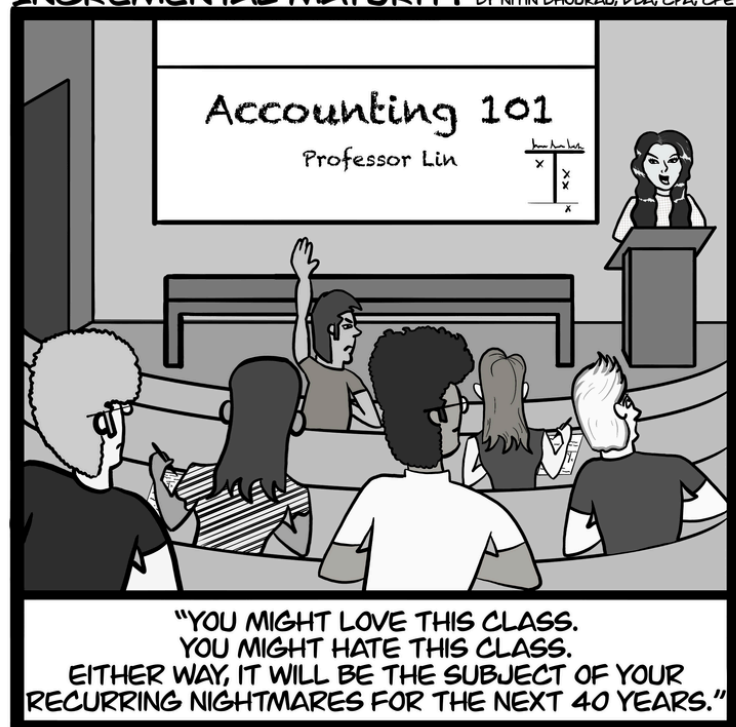
"The current folks at DOE are,

by and large, saying that the problems happened before their watch and they shut down the School Directed AC program. But has the problem been solved? Doggie, do you want to go to school for a while to check it out?"

"No thanks! I like hot dogs, but not when one of them is me."

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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# Future-Ready, People-First:



## *Rethinking Talent Development in Accounting*

By Jacqueline Lombardo of Boomer Consulting, Inc.

A staff accountant at a mid-sized firm used artificial intelligence (AI) to summarize a dense financial report ahead of a client meeting. What would've taken hours was condensed into a crisp executive summary in under 10 minutes. The kicker? That preparation helped the client understand the story behind their numbers, and the client went from buying tax-prep services once a year to engaging the firm for year-round advisory services.

The experience became a turning point for the firm. They started an internal knowledge-sharing group to explore how AI can support client service, and that staff member now co-leads peer training sessions. That's what happens when you empower people to think beyond tasks: to think like Superworkers.

Talent remains the number one issue keeping firm leaders up at night. We hear it in nearly every Boomer Circle community. Firms aren't just trying to fill roles; they're trying to build the future. But here's the catch: if you're waiting for the perfect hire to land on your doorstep, you're already behind. The firms that invest in their people today are the ones that will thrive tomorrow.

### What is a Superworker?

Josh Bersin introduced the concept of the [Superworker](#): someone who uses technology, data and human intelligence to deliver better results with more impact. They're not just efficient. They're curious, adaptable and supported with the right tools and development pathways.

While Bersin speaks to employers in every industry, this concept seems tailor-made for



for accounting. As automation reduces repetitive tasks, accountants are stepping into roles that demand insight, empathy and strategic thinking. Instead of hiring more people to do the same work, firms are asking: *How can we elevate the people we already have?*

Quick self-test: Are you building Superworkers?

Score 1 point for each "yes."

- Do your team members know how to use AI tools to prepare for client conversations?
  - Can someone on your team explain their growth path beyond "promotion" or "partner track"?
  - Do new hires get paired with a mentor and a project lead?
  - Have you invested in upskilling or cross-training in the past 90 days?
- 0-1:** Time to reboot  
**2-3:** You're evolving  
**4:** You're building the firm of the future

### Build>buy>burnout

Firms today face a choice They can **build** their talent pipeline

with mentorship, coaching and skills development. They can **buy** lateral talent, often at a premium, and with no guarantee of long-term fit. Or, they risk **burnout** by over relying on top performers, leading to disengagement, turnover and eventually, client churn.

We see innovative firms choosing to build. For example, one firm we work with launched a six-month “Path to Advisory” pilot for senior associates. The curriculum included business storytelling, advanced Excel modeling and monthly check-ins with an advisory leader. Two participants now facilitate quarterly strategy sessions with clients, and the firm saw a 15% jump in client satisfaction scores after the program wrapped.

These results aren’t just anecdotal. According to Gallup, companies that prioritize employee development are twice as likely to retain employees and enjoy 11% higher profitability.

### Upskilling in the age of AI

Bersin’s Superworker model hinges on one idea: your people won’t just work harder; they’ll work differently. But only if you create the conditions for that shift.

That means fostering AI literacy, encouraging experimentation and creating upskilling opportunities tailored to where your firm is headed.

Here are a few strategies we’ve seen firms deploy successfully:

- Run quarterly “tech fluency” sessions focused on how specific tools apply to client service
- Develop internal knowledge bases with AI use cases, ethical guidelines and “what to watch out for”
- Launch short “Tech for Client Advisors” sprints that pair technology skills with real-time client engagement scenarios

Just as importantly, they’re setting expectations around responsible use. Leaders remind teams not to enter personally identifiable information (PII), client data or confidential firm information into public-facing AI platforms. This builds a culture of digital stewardship.

### Build your future firm

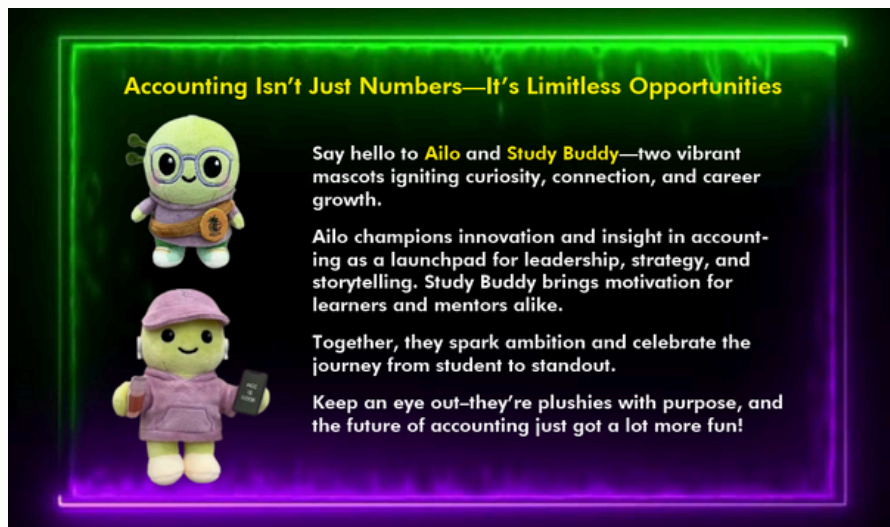
The firms that will lead the next decade might not have the biggest headcount or the fanciest tech, but they will invest in making learning a

habit, reward curiosity, remove friction from mentorship and elevate the internal champions already experimenting, improving and mentoring others.

So, what’s one thing you can do this quarter to support your team’s evolution?

Maybe it’s pairing a junior team member with a mentor who can coach them through their first client-facing meeting. Perhaps it’s categorizing your existing training materials by role, making them easier to access. Maybe it’s recognizing the person who solved a workflow bottleneck even if it didn’t directly affect billable hours. Start there and build. Your future Superworkers (and your future clients) are counting on it.

Jacqueline Lombardo is the Operations Strategist at Boomer Consulting, Inc., where she leads initiatives that support growth and internal excellence across HR, performance management, training, compliance, and IP protection. She partners with firm leadership to strengthen processes, shape culture, and foster a workplace where every team member feels empowered.



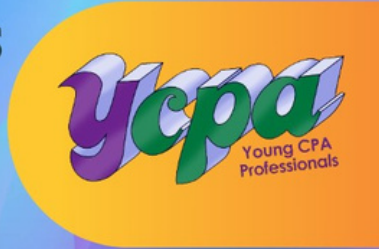
### Adopt one or both!

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# Connections That COUNT



## Tips for Complying with the Better Buildings Benchmarking Ordinance

By Adrian Hong



With the deadline for buildings over 25,000 square feet to start filing their annual Better Buildings Benchmarking Reports being

extended to September 30<sup>th</sup>, I thought now would be a good opportunity to go over some tips for submitting a benchmarking report. The Better Buildings Benchmarking Ordinance (Ordinance 22-17) requires Oahu building owners to submit a benchmarking report to the City & County of Honolulu (C&C) on an annual basis. The report contains metrics regarding the building's energy usage, water usage, and greenhouse gas (GHG) emissions.

The following is a list of tips for complying with the ordinance based on Hong Consulting's experience assisting properties in submitting their benchmarking reports.

1. Start the process as soon as possible. There are over 700 properties in this final phase of the ordinance. That is more than any other phase. That means utilities, service providers, and the C&C are going to be inundated with requests. The sooner you get your report done, the faster the process will go. This [link](#) will take you to the Covered Buildings List (which shows which buildings must report).
2. Use the following [website](#) to create a document with a list of the data you need to collect in order to file. The website also has links to definitions of important terms such as "gross floor area." Condominium associations should select multifamily housing as their property type. Please

note water usage is required to be reported in addition to energy usage.

3. Do not have any gaps in your monthly electricity, water, or gas usage. EnergyStar Portfolio Manager, the system that C&C uses to collect the data and issue the reports, does not allow for any gaps in usage. If you can't find one of your monthly utility bills, then your building will have to request the annual usage from the utilities themselves.
4. Your electricity, water, and gas usage must cover from January 1<sup>st</sup> to December 31<sup>st</sup>. If

in the benchmarking report in addition to your own. You will also need to allocate the gross floor area of your property to the different property types that exist on your property (ex. multifamily housing and restaurant/bar).

6. Gross floor area of your building can usually be found in the condo association documents, blueprints, or insurance documents. If you cannot find the gross floor area in your documents, you can ask your insurance agent. They should have your square footage as that is how they calculate your premiums.



For more information about Ordinance 22-17, please click [here](#). It will take you to the C&C's website about the ordinance and its benchmarking program.

Hong Consulting has also created a Frequently Asked Question (FAQ) page on the ordinance. This

your utility bills start after the beginning of the year or cuts off before the end of the year, then you will need the previous month's bill or next month's bill to get all the required usage. EnergyStar Portfolio Manager will spit out an error if the usage for a particular meter does not cover every day of the calendar year being reported on. It is okay if the previous month's bill or the next month's bill covers periods outside of the calendar year as long as every day in the calendar year is covered.

5. The benchmarking report covers the whole property, including tenants. If you have tenants such as gyms, restaurants, and salons on your property, you must include their usage

[link here](#) will take you to it: <https://www.hongconsultingllc.com/faqs-better-buildings-benchmarking>.



Continued from Page 4

foreign country; rather they exist to serve the customers in that market. The advantages of a centralized form are the headquarters makes all the major decision, so there is consistency, efficiency, and a clear message. In addition, back-office consolidation will allow resources to be saved and efficiently utilized on an equitable basis (performance) to each of the subsidiaries. Corporate strategies will be much easier to disseminate and perform from central headquarters instead of dealing with each subsidiary separately.

The disadvantages are that the decision made by headquarters depend on a few executives

including the CEO and not the people in the "trenches". Headquarters may be too distant to get a feel as to what is happening in the market place with the customer, suppliers and vendors. The subsidiary executives and employees may feel that they don't have any say or power over their future and that it is determined by someone thousands of miles away. Resource allocation is dependent on performance, not what the subsidiary can garner and that the subsidiary has little say towards its future vision or goals. There may also be lag factors involved in receiving operating and financial reports on a timely basis.

A decentralized formation would be more appropriate with a

heterogenous environment. This is when the subsidiaries are entrenched with the foreign culture, it's people, businesses and government. Then each subsidiary will have its own unique cultural/ regional situations to consider when making decisions. The foreign subsidiary will probably do business in the foreign currency. Thus, the presidents and managers of each subsidiary will feel more in control of their company's destiny to reach their target goals and vision of the future. The localized accounting, IT, procurement, contracting and human resource functions will also expedite actions being taken by each subsidiary instead of dealing with the bureaucracy of centralized control.



**#1400 \$2,165,000**

3 BD, 3 BA Intr Size: 1,334 ft<sup>2</sup> 124 m<sup>2</sup>  
Prk: 2

Views: Diamond Head, Ocean, Coastline & Sunrise



**#1900 \$2,650,000**

3 BD, 3 BA Intr Size: 1,457 ft<sup>2</sup> 136 m<sup>2</sup>  
Lanai: 82 ft<sup>2</sup> 8 m<sup>2</sup> Prk: 2

Views: City, Coastline, Diamond Head, Marina/Canal, Ocean & Sunset



Please call May or Jack : **808 532 3330**



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Principal Broker, CRS, CRB

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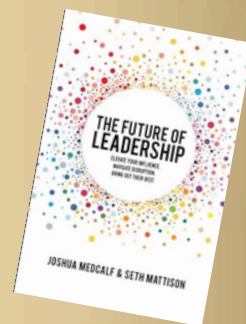




## Norman's Book Review

The Future of Leadership:  
Elevate Your Influence. Navigate Disruption. Bring Out Their Best.

By Joshua Medcalf & Seth Mattison



**I** THINK we all agree that being successful now seems so much harder than it was in the distant and not so distant past. Things were more predictable and there was more Hierarchy before. Now ... the authors note "we are living in the age of Networks, thanks to the digitization of everything. We are entangled in networks of information, education, entertainment, etc., all of which comes with remarkable change and progress, but they can also create chaos, confusion and disruption. It is a world of Unprecedented Access, Exponential Reach, and Hyper Immediacy."

Through a captivating business story about Brian Kelly's journey in becoming a transformational leader, the authors reveal how we can be a "transformational leader who can successfully navigate the worlds of the Hierarchy and the Network." The book was insightful and easy to read! Here are some excerpts from the book that should help you be a better leader and person and give you a sense of how powerful the book is.

### Five Pillars of Transformation

Every organization and leader must master the following five pillars of transformation in order

to bridge the gap between the worlds of the Hierarchy and the Network: **Heart Posture, Mind-set, Culture, Process and Technology.** Note that without the right heart posture, mind-set and culture, any technological and process improvements will fail because they are not the first things that have to be addressed.

*The person you want beside you in battle is the man who has surrendered the outcome and surrendered to the fact that he might die.*

*In order to reach your greatest potential, you must operate with a heart posture of gratitude, commit to the controllables, or be in the moment and trust the process.*

### Best Way to Navigate Change

- Permit yourself to acknowledge that some of your old beliefs about leadership and work no longer serve you.
- Explore the possibility that there are some things you do not fully understand about this new leadership environment.
- Announce that you are open to new understandings and that could produce powerful change.

- Courageously examine these new understandings, and if they align with your personal truth, enlarge your belief system to include them.
- Express your leadership as a demonstration of your highest beliefs.

### Humble Mindshift

If we want real transformation, the authors state that we must embrace a humble mindshift. By being humble, we embrace the possibility of growth. We can be strong without being overly forceful. We can be highly competent and thoughtful at

the same time. We can fight for our ideas while still maintaining a posture of humility.

### Transformational Leadership Traits

The authors three favorite leadership traits are: embody a spirit of service, listen even to the least-experienced perspectives, and embrace dissent.

A transformational leader also leads from the heart and empowers talented workers to do their best work toward a single transformational mission.



## Abundance Mindset

Unlike the past where we were taught that power came from hoarding information, today, power comes from sharing, not hoarding. The way to gain influence now is to actually give away your best content and expertise. Our networked world today embraces the abundance mindset and understands there is always more than enough to go around.

### First Five

While comparison feeds scarcity, gratitude kills it. Gratitude builds the abundance mindset and creates a positive culture. To help us reinforce the abundance mindset and bring abundance to our professional life and company culture, the authors recommend you keep a journal and answer the first three questions in five minutes first thing in the morning, then answer the last two questions at the end of the day.

1. I am grateful for ...
2. What would make today great?
3. Daily affirmation. I am becoming ...
4. What are three amazing things that happened today?
5. How could I have made today better?

### What is Your Culture?

The building blocks of a company's culture are the accepted attitudes and behaviors in the company. Are they positive or negative? The authors described 10 of these, with the left ones being positive and the right

being negative. What attitudes and behaviors are prevalent in your company?

1. Generosity / Hoarding
2. Transparency / Deception
3. Competitive / Cutthroat
4. Accountability / Impunity
5. Committed / Fickle
6. Adaptable / Rigid
7. Receptive / Close-Minded
8. Advocate / Antagonist
9. Opinionated / Argumentative
10. We-minded / Me-minded

*“Ordinary life becomes extraordinary when ordinary people choose to sacrifice comfort in pursuit of what sets their soul on fire and become incredibly faithful in the little things entrusted to them.”*  
--The Future of Leadership

### Mission vs Mission Statement

Companies spend countless planning sessions and consultant fees to create their mission statement. What is more relevant, however, is being able to answer the question: what is your personal mission? Does everyone in your company have the same mission? Is it the same mission as the company? If the answer is yes, then you and your company should be highly successful. For example, Mother Theresa never had a goal, but her mission and internal GPS system was to serve the needs of the sick and dying.

### Innovation Mindset

The authors believe you should “disrupt” your company before competitors do it; and to be more innovative, leaders must **Be Open, Be Honest and Be Vigilant.**

Additionally, addressing the following three questions will help a company be brutally honest about itself and move in the right future direction.

1. In what ways is our business model indistinguishable from our competition?
2. What aspects of our business model have remained unchanged over the past three-to-five years?
3. What makes us truly distinct and proud?

### Are You Authentic?

Authenticity isn't something you do. It's something you are, something you become. Most people's attempts at authenticity fail because what they see as genuine is actually a manipulative strategy driven by their own selfish goals instead of a true shift in heart posture that places others' needs above their own.

### The First Day of the Rest of Your Life

Finally, if you are like me, after reading the book you will feel like your spirit has been lifted and you can move forward with confidence because it will be the first day of the rest of life with a more positive and humble attitude, filled with gratitude to be alive and wanting to make a difference.



# Meet The Pros MIXER

October 13, 2025 5:30 p.m.



- **Share Your Story:** Professionals inspire by reflecting on their career journeys, pivotal moments, and personal growth.
- **Champion the CPA Pathway:** Encourage students to explore the CPA credential as a flexible, purpose-driven career route.
- **Spotlight a High-Demand Profession:** Showcase accounting as a dynamic, in-demand field with leadership potential and real-world impact.
- **Foster Meaningful Connections:** Build bridges between students and professionals through authentic dialogue and mentorship.

*Guest Speaker*

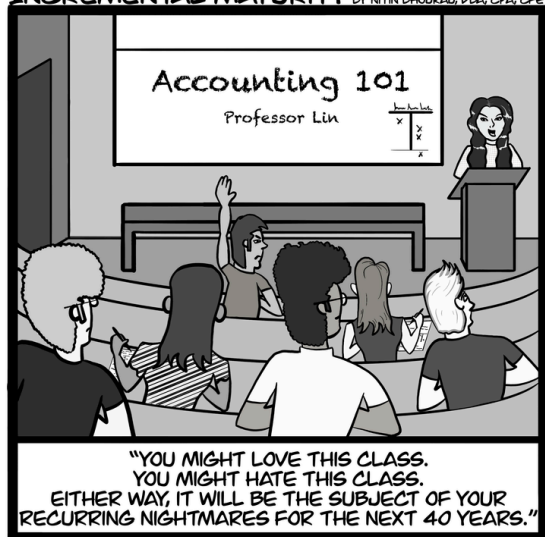


Donny Shimamoto

“Meet the Pros” is styled like professional speed dating – quick, engaging rounds where students connect with industry leaders in rapid-fire conversations.



INCREMENTAL MATURITY BY NITIN BHOURAJI, DBA, CPA, CFE



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# Cross-Border Tax Mastery Workshop



## China & Japan Tax Insights for Hawaii Practitioners

November 4th  
Tuesday

8:30 a.m. to  
12 noon

*Featuring a distinguished panel of international tax attorneys – globally-recognized authorities on China, Japan, Asia-Pacific, and U.S. cross-border taxation*



*Peter Ni*

Zhong Lun Law Firm  
Shanghai, China



*Erin Gutierrez*

Withers Worldwide  
Tokyo, Japan



*Eric Roose*

Withers Worldwide  
Tokyo | Singapore

This workshop convenes a rare constellation of elite legal minds--international tax attorneys who advise governments, multinational corporations, and high-net-worth individuals across borders. Their insights shape global policy and drive strategic decisions at the highest levels.

Now, for the first time for HSCPA, they're coming together to equip Hawaii's tax professionals with the tools to navigate the complexities of China-Japan-U.S. taxation with confidence, clarity, and precision.

Tailored specifically for CPAs and tax advisors with clients connected to China or Japan, this workshop offers a deep, practitioner-focused dive into the tax systems, compliance requirements, and planning strategies that matter most.

You'll gain a comprehensive understanding of:

- The foundational tax frameworks of China and Japan, and how they intersect with U.S. compliance
- Strategic considerations for Chinese and Japanese nationals living in Hawaii or the U.S., or those with homes abroad engaged in cross-border business
- Tax planning for inbound individuals relocating to Hawaii/U.S. from Asia, including residency, reporting, and structuring
- Advanced use of trusts and coordinated planning techniques to optimize treatment across jurisdictions

LIMITED SEATS

REGISTER HERE







# CONNECT & COLLABORATE

## TRIPLE THE FUN!



What happens when you mix ADP + Atlas EPIC + HSCPA YP? Instant chemistry—and a whole lot of fun! Our recent joint networking night at SingSing Thai was a flavorful fusion of great food, lively icebreakers, and nonstop conversations.

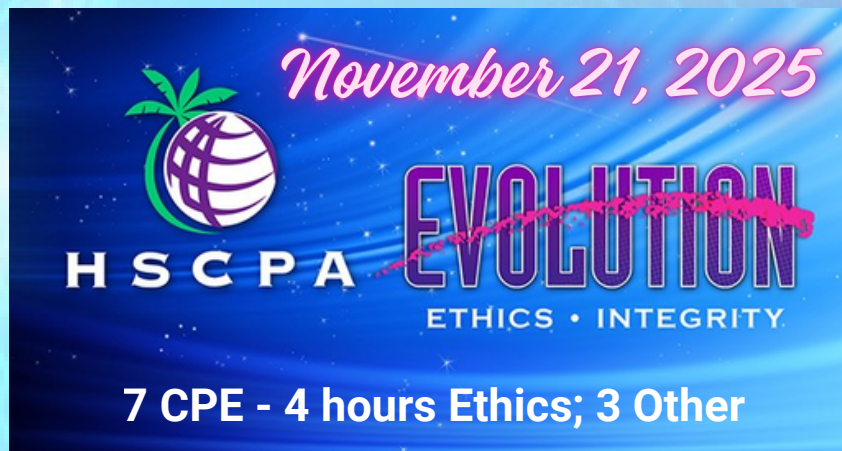
Big thanks to Stephen and Chris for sharing ADP's story and giving us the latest on the OBBA. Shoutout to Jana and Greg from Atlas EPIC for the goodie bags and the People Bingo showdown—where friendly competition met full-on connections.



From new faces to familiar laughs, it was an evening of energy, engagement, and epic vibes. Here's to more moments that spark collaboration and community!







# 65th Annual Conference

8:30 AM ~ 3:30 PM



**Take a break** from the technical stuff for an amazing day filled with inspiration, connections, and excitement! The Annual Conference will fulfill the Ethics CPE requirement for license renewal this year, along with top-notch speakers who will share insights to empower and enlighten. We will cap off the day by unwinding at Happy Hour with great company.

The HSCPA 65<sup>th</sup> Annual Conference will open with **Lisa Simpson**, VP Firm Services with the American Institute of CPAs. If you've been a fan follower of the AICPA Town Hall Series since 2020, Lisa is the "star". She will discuss the latest



updates on trends and issues and the pipeline challenges impacting the accounting profession. Lisa will also touch on the "Transforming Your Business Model" initiative and how this project helps firms identify outdated aspects of their business model and offers solutions across five key areas — governance, strategy, service offerings, talent, and technology. It takes a deeper look at how this transformation can help shape your firm's future.

Professional ethics continues to evolve, influenced by issues like technology, environmental concerns, and social justice. Navigate the gray areas as we explore how moral principles and behaviors have developed and changed over time. It's a reporting year and you'll need the 4 hours of Ethics CPE for license renewal.

**Ron Heller** will provide an update on professional ethics and explain recent interpretations of the AICPA Code of Professional Conduct. He 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.



Master Resilience expert, **Andy Pierce**, will cover the Event → Thought → Outcome (ETO) model, a valuable tool for enhancing decision-making and problem-solving. This framework helps CPAs recognize how their thoughts, rather than external events, determine their emotional and behavioral responses. By detecting and challenging underlying beliefs, such as perfectionism or bias, accountants can improve clarity, reduce stress, and make more objective decisions. This approach ultimately strengthens resilience and enhances client relationships, leading to better outcomes in both professional judgment and daily work.



Don't miss this blend of learning, laughter, and leisure! You'll earn 7 hours of CPE, breakfast, lunch, swag, and yes, Happy Hour! Save your spot today and **Register now** - we can't wait to see you there!

**Happy hour!**

**Swag**



HAWAII SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## Your Experience Can Help Solve Hawaii's Accounting Talent Shortage

### *Dear Professionals:*

Hawaii businesses are facing a critical shortage of accounting professionals—and the ripple effects are real.

To address this challenge, the Hawaii Society of CPAs and Center for Accounting Transformation have launched a new research effort: The State of Accounting Careers in Hawaii. This survey is part of a broader initiative to understand the current workforce and build a more sustainable talent pipeline.

We're calling on accounting and finance professionals across the state to participate. If you work at an accounting firm, we also want you to participate.

Your insights will:

- Inform advocacy for job creation and education pathways
- Help students see the real future of accounting—beyond the stereotypes
- Provide factual data on work hours, salary trends, and the impact of AI
- Support outreach to students, educators, and employers

We ask that you give us just 5-10 minutes of your time to complete the survey. Whether you're in public practice, finance, government, internal audit, education, or a related field, your career journey matters.

Take the Survey → [https://www.surveymonkey.com/r/HSCPA\\_Careers2025](https://www.surveymonkey.com/r/HSCPA_Careers2025)

Let's shape a profession—and a future—that enhances Hawaii.

*Thank you for being part of the solution!*