CPA The Ohio Society of Certified Public Accountants
VOICE
March
April
2019

HOW ACCOUNTANTS CAN LEVERAGE OHIO'S DEVELOPING BUSINESS AREAS

IMPLEMENTING NEW NOT-FOR-PROFIT FINANCIAL REPORTING

TAX REFORM: WHAT DOES IT MEAN TO YOU AND YOUR PRACTICE?

FREE CPE INSIDE!

THE OHIO SOCIETY OF CPAs
ADVANCING THE STATE OF BUSINESS

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in depth

CPA VOICE The Ohio Society of Certified Public Accountants March April 2019

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MANAGING EDITOR:
Gary Hunt, CAE – ghunt@ohiocpa.com

EDITOR:
Jessica Salerno – jsalerno@ohiocpa.com

GRAPHIC DESIGN:
Kyle Anderson – kanderson@ohiocpa.com

EDITORIAL OFFICES
CPA Voice
4249 Easton Way, Suite 150
Columbus, OH 43219
Tel: 614.764.2727 | Fax: 614.764.5880
Email: CPAVoice@ohiocpa.com
Website: ohiocpa.com

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a word from our CEO

Serving growing business areas

Staying ahead of the curve is often easier said than done. Day-to-day problems creep in, and while working toward achieving your identified long-term goals, just staying on track can be enough work in itself, much less getting one step ahead.

But that's exactly what the accounting profession can do by recognizing and participating in new business areas. The industries that seem small today will be established years from now, and in need of financial guidance. CPAs are regarded as trusted business advisers, and it's crucial to extend that expertise to new industries.

It might seem like an obvious choice to make, but it's all too easy and comfortable to stay in your lane with what you know.

We cover the opportunities for Ohio CPAs in this issue's feature story, focusing on the marijuana, blockchain and start-up industries. You might have wondered how your organization can get involved, and some common themes pop up when exploring a new industry:

- Stay aware of changing legislation
- Network with reputable individuals
- Push yourself outside of your comfort zone

Recently, staff at OSCPA decided to push ourselves to elevate your member experience with the introduction of our new online learning and user experience, MyOSCPA. You can still do everything you could before: search, register, study and track CPE and other learning. But now you're working with a more responsive, mobile-friendly system. Check it out for yourself at **my.ohiocpa.com**.

Speaking of responsive, we've listened to your requests for more free CPE and learning. You now get 20 complimentary hours with your membership to help you fulfill your annual minimum requirement. Valued at $640, this quality learning includes Advance events (offered in person or via rebroadcast), On-Demand programs and *CPA Voice* self-assessments. Our goal is to give you the learning that matters in a variety of formats to help you get dialed-in on emerging trends, best practices and important developments within the profession.

Adapting to new business opportunities means more than pursuing what you already know well. Choose to learn about another industry and how your business can make itself a valuable asset to the new and growing players.

It might not always make sense to jump in right away, but staying informed of industry news and making connections is crucial when you're striving for that coveted one step ahead.

Self-Assessment Exam

MARCH/APRIL 2019 | Product ID: #53063

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Exams remain available online – and may be completed for CPE – through the same month of the following calendar year.

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Self-Assessment Exam Results

Respondents taking the exam online receive their results immediately. Respondents who pass with a grade of 70% or better receive one hour of CPE credit in specialized knowledge, as approved by the Accountancy Board of Ohio.

Implementing New Not-For-Profit Financial Reporting

1. Which of the following changes in financial reporting does ASU 2016-14, Presentation of Financial Statements of Not-for-Profit Entities require?

A. It requires that net asset classifications be limited to either “net assets with donor restrictions” or “net assets with limited donor restrictions.”
B. It requires that not-for-profits who prepare the statement of cash flows using the direct method reconcile the cash flows from operations to that found using the indirect method of cash flow statement preparation.
C. It eliminates the use of functional expense categories.
D. It requires certain new liquidity disclosures.

2. What challenges will not-for profit entities face when moving from the current three net asset classifications to two?

A. Ensuring that detailed records are and have been maintained concerning donor intentions
B. Ensuring that a not-for-profit’s records of all donations identify the specified purpose of the gift but not the restrictions on that gift
C. Ensuring that changes are made in accounting systems or processes to be able to handle the movement from three net asset classifications to two.
D. Both A and C are correct.

3. All not-for-profit entities are now required to provide an analysis of expenses by both function and _______ in the financial statements, and disclose the methods used to allocate expenses to ________.

A. Purpose; functional categories
B. Natural classification; functional categories
C. Amount; various programs
D. Budget line item; functional categories

4. What will not-for-profit entities need to include within their new required liquidity disclosures?

A. Quantitative disclosures on the availability of financial assets to meet cash needs for general expenditure for the next year.
B. Qualitative disclosures on how the organization manages its liquid available resources.
C. Qualitative disclosures related to the not-for-profit’s liquidity risks.
D. All of the above are correct.

5. ASU No. 2018-18 clarifies how to decide:

A. whether or not to accept a donation.
B. if an item is a contribution or a contract.
C. if a contribution is non-conditional.
D. All of the above are correct

Tax reform: What does it mean to you and your practice?

6. What steps should an accounting firm take when analyzing the impact the new tax law will have on its existing client base? Look at your client list and:

A. Make a list of the tax changes that will impact each client.
B. Consider how to spread the costs associated with the new tax law in a manner that assures your firm does not lose clients because of large fee increases.
C. Consider how to best outsource certain tax compliance issues in order to limit fee increases.
D. Selectively consider which clients can afford fee increases and charge these clients accordingly.

7. Which of the following is recommended when discussing the new tax laws and their effects on clients?

A. Be direct.
B. Provide details related to the tax change and its impact.
C. Provide phased options where possible.
D. All of the above are correct.

8. What is one of the biggest challenges public accounting firms will face in 2019?

A. Client retention
B. Being compensated for the additional work required to complete the client’s 2018 tax returns
C. Learning the new tax laws
D. Staying current with client needs

9. What was the lower bound on the fee increase needed to compensate his firm for the added work required on his client’s 2018 tax return? A fee increase of at least ______.

A. 600%
B. 400%
C. 500%
D. 300%

Understanding and addressing unconscious bias

10. Biases are limited only to:

A. Gender.
B. Ethnicity.
C. Age.
D. None of the above.

11. What happens if your unconscious biases go unchecked?

A. You might unknowingly take the wrong action or make incorrect decisions based on assumptions, stereotypes and misperceptions
B. You might miss out on some growth opportunities but overall it shouldn’t affect your decision making. You might not know
C. You will have to wait until someone can explain unconscious bias to you.
D. Nothing.

12. What is one of the steps toward change?

A. Do not create any more awareness on bias.
B. Avoid the bias triggers.
C. Only call out bias in public, never in the workplace.
D. Employers should issue rules saying their employees cannot discuss bias in the workplace.

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THE OHIO SOCIETY OF CPAs
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THE OHIO SOCIETY OF CPAs
ADVANCING THE STATE OF BUSINESS

Implementing new not-for-profit financial reporting

By Laura Hay, CPA, CAE

As users begin implementing new financial reporting requirements for not-for-profit entities, what are common implementation challenges with the newly effective standard?

In 2016, FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, effective for fiscal years beginning after Dec. 15, 2017, and for interim periods within fiscal years beginning after Dec. 15, 2018. Major provisions of the standard include:

Changes that mostly simplify reporting:

Net asset classification
Net asset classes are reduced from three to two: "net assets with donor restrictions" and "net assets without donor restrictions," as the differences between permanently and temporarily restricted net assets were determined to be less meaningful to the user. Now, only two columns, plus a total column, are required in the statement of activities. The intent is to make more transparent to leaders and key donors funds available for unrestricted purposes.

Challenge: Ensuring that detailed records are maintained regarding the source and intentions of donors, so that it is clear for classification and disclosures.

- Will changes need to be made in accounting systems or processes for the new presentation?
- Do underlying records track specified purpose, and distinguish restrictions that will be satisfied over time or expenditure, and funds of perpetual duration?
- Has management decided what to present in the financial statements versus the notes?
- Is sufficient information about board designated funds available for presentation in both the endowment and liquidity notes?

Statement of cash flows
Organizations are permitted to choose between reporting cash flows using the direct method or indirect method, and entities electing the direct method will no longer be required to include a reconciliation of changes in net assets and cash flows from operations.

Investment income
Investment income will be reported net of internal and external investment expenses, and the requirement to disclose the amount of netted investment expenses has been eliminated. Not-for-profits investing in mutual funds might have previously had difficulty quantifying all investment expenses, and this change should provide greater comparability across organizations.

Changes that might require greater recordkeeping or preparation:

Functional expense reporting
Not every not-for-profit was previously required to report functional expenses for their 990. All not-for-profits are now required to provide an analysis of expenses by both function and natural classification in the financial statements, as well as disclosing the methods used to allocate expenses to functional categories. Functional categories include program expenses, fundraising and management and general. Information on functional expenses is considered important for evaluating not-for-profit organizations.

Challenge: Assessing the organizations' allocation practices to ensure a supportable method for allocating expenses by function.

- Does the not-for-profit's accounting system provide for capturing this information?
- Are there inconsistencies with 990 reporting? Annual financial statements might have a different audience than the 990, but users might compare the two.

Liquidity disclosures
New liquidity disclosures include:

- Qualitative disclosures on how the organization manages its liquid available resources and liquidity risks
- Quantitative disclosures on the availability of financial assets to meet cash needs for general expenditures for the next year

Liquidity disclosures are intended to assist donors, creditors and other users in valuating the availability of current cash to meet current requirements for cash.

Challenge: Adopting or revisiting liquidity management policies and assessing the measures that are most relevant to the not-for-profit. Determining how to describe the organization's practices for the use of internal and external stakeholders might be one of the greatest implementation challenges of the new standard, and preparers will want to review examples.

Underwater donor-restricted endowments
Donor-restricted endowments with a market value that has declined below the original value will be reported in net assets with donor restrictions with expanded disclosures about the underwater portion.

Challenge: Did the organization maintain good records of original donation market values?

Future developments

After receiving comments on the standard, including from the OSCPA Accounting and Auditing Committee, FASB stopped short of implementing an entirely new financial reporting model in which the statement of activities would be aligned with measures of operations in the statement of cash flows, and an interim operating measure reported. This proposal was deferred to be coordinated with a financial reporting project for for-profit entities.

Related standards and guidance

Revenue recognition

ASU No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, issued in June 2018, addresses how the new revenue recognition rules apply to not-for-profit grants and contracts. The ASU clarifies (1) how to decide if an item is a contribution or a contract with a customer under revenue recognition rules, and (2) how to determine whether a contribution is conditional, which may affect the timing of revenue recognition.

Gifts-in-kind

The AICPA advises not-for-profit accountants and auditors to exercise additional skepticism related to gifts-in-kind, as they result in a financial statement disclosure without an exchange of cash and are often subject to donor or legal restrictions. Gifts-in-kind might present revenue recognition, classification and valuation issues.

*Laura Hay, CPA, CAE, is executive vice president of The Ohio Society of CPAs and staff liaison to the Accounting & Auditing Committee. She can be reached at **Lhay@ohiocpa.com** or **614.321.2241**.*

Learn more about this topic at the Not-For-Profit Conferences in Cleveland on June 19 and Columbus on June 20. Register at **my.ohiocpa.com**.

FAST FACTS

1. As users begin implementing new financial reporting requirements for not-for-profit entities, there are common implementation challenges with the newly effective standard.

2. One of those challenges is ensuring that detailed records are maintained regarding the source and intentions of donors, so that it is clear for classification and disclosures.

3. Another is adopting or revisiting liquidity management policies and assessing the measures that are most relevant to the not-for-profit.

4. Remember to ask if the organization maintained good records of original donation market values.

Tax reform: What does it mean to you and your practice?

By Bob Woolley, CPA

As a tax professional, one of the biggest challenges for 2019 is how to be properly compensated for the additional work required for 2018 tax returns. The Tax Cuts and Jobs Act was one of the most sweeping tax law changes in a generation. This has put tremendous pressure on tax professionals to get up to speed and then determine how these changes impact their clients. However, it's very common for clients to hold the belief that "This is your job, and you should just know this stuff."

Although a tax professional does have a responsibility to learn the new law, spending time to determine how that law applies to a specific taxpayer is a valuable service and worthy of compensation. The key is to convince your client of that value. The ability to explain the issues and then have a plan for how you propose to accomplish those issues as they apply to the specific taxpayer cannot be overstated.

All too often, taxpayers want quick answers, and a common refrain is, "Give me your gut reaction." However, as a tax professional, you have to be wary of this because if the taxpayer decides to just go with your gut and it's wrong, they're likely to hold you accountable for that "gut reaction." You should be cautious in your advice to avoid that issue and qualify any answers that aren't researched thoroughly. If the taxpayer wants to take the short cut, make sure you're not taking on the risk with them.

I recently reviewed the projected fees for a long-time client and, after spending time considering how many aspects of the TCJA applied to them and the time it was going to take to work through those items for the 2018 tax returns, I was left with proposing a fee increase of at least 500% and potentially up to 850%. Yes, this is an extreme example, but in many cases, a significant increase in the scope of the work will be required. My challenge is how to approach this client and explain that in their instance, despite being a relatively small company, they now have big company issues based on their structure.

With so many different law changes, a good starting point is to look at your client list and make a list of what might apply to each one of them. Once you have that list, you can consider how potentially impactful each item could be. This will help you formulate your approach for a discussion with the client on what you're recommending and can begin the fee discussion.

For example, let's use my client from above with the big fee increase. It's a C Corporation that has six controlled foreign corporation (CFC) subsidiaries. The main tax reform items that will affect them are Global Intangible Low Tax Income (GILTI), Foreign Derived Intangible Income (FDII), the impacts to foreign tax credits (FTC), and the IRC 965 transition tax. The impact of GILTI is such that, in order to properly determine any impact, you nearly have to prepare a pro-forma tax return for each CFC. So for this client, I effectively have six additional tax returns to prepare. Then once the impact of GILTI is determined, I'll need to track the FTC's pre and post GILTI, so I wind up with 12 FTC buckets to track. All of that is after revaluating the IRC 965 transition tax was reported with the 2017 return so that it can be reported on newly issued forms for 2018. It's no longer difficult to see how a fee increase of at least 500% is required.

Here are a few tips for approaching clients:

- **Be direct.** Explain the complexities and the time it will take to apply the law to their specific situation.
- **Provide details.** Outline the steps it will take to get the answers and how the client can assist in getting information.
- **Provide phased options.** Having work plans that are in phases helps minimize each step so that if the remaining work is unnecessary then it can be stopped effectively.
- **Give examples.** Especially when dealing with areas that could provide a savings, such as the qualified business income deduction, try to provide an idea of impact so the client can appreciate the value.

At the end of the day, you need to decide where and how you'll use your most valuable resource —your time. Good luck!

Bob Woolley, CPA, is a partner at Plante Moran and a member of the OSCPA Federal Tax Committee.

FAST FACTS

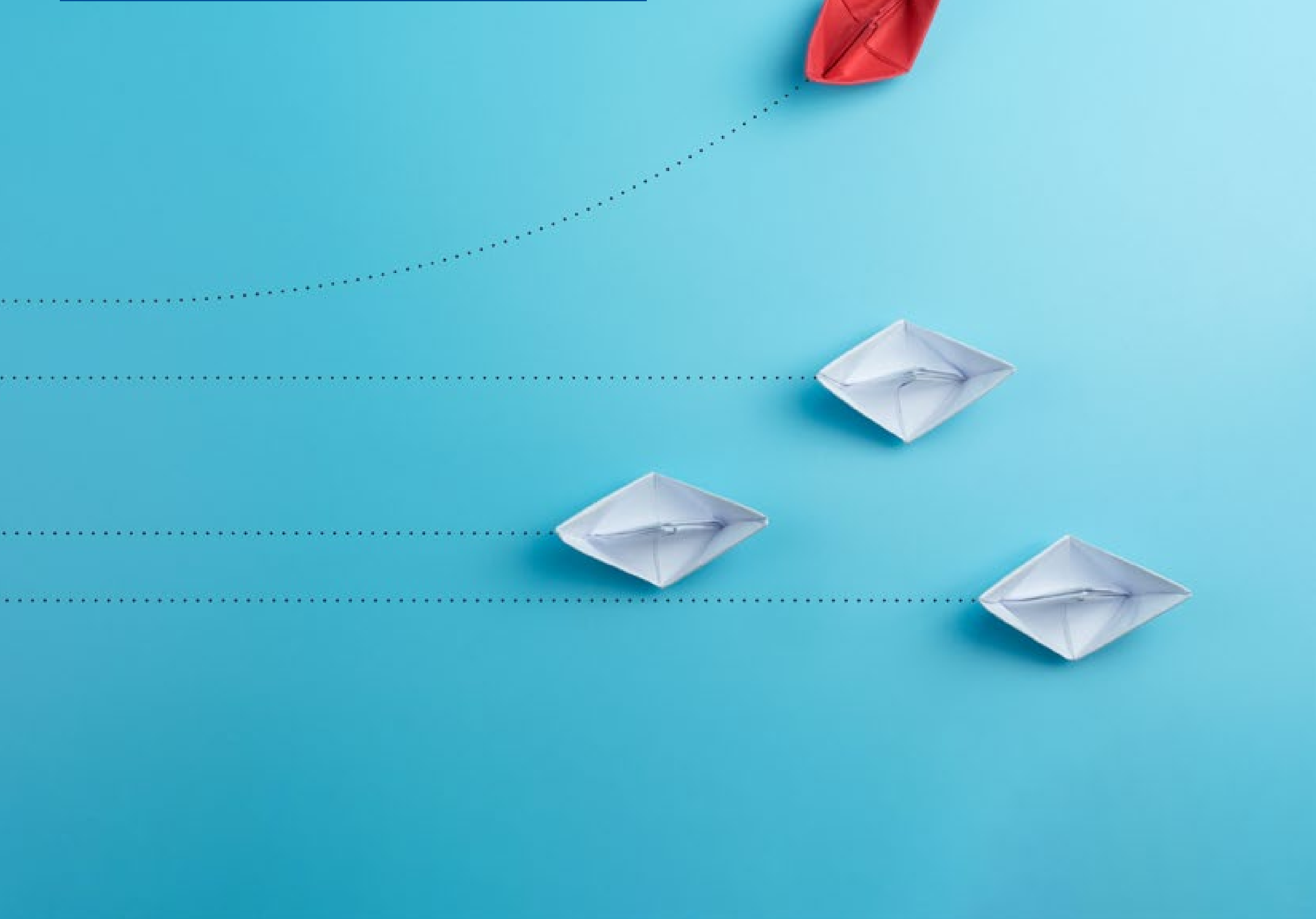
1. One of the biggest challenges for 2019 is how to be properly compensated for the additional work required for 2018 tax returns.

2. Spending time to determine how a new law applies to a specific taxpayer is a valuable service and worthy of compensation.

3. Be direct with client, provide details and phased options and give examples.

How accountants can leverage Ohio's DEVELOPING BUSINESS AREAS

By Jessica Salerno, OSCPA senior content manager



Well into 2019, the shine of a new year has faded and many professionals are back in a routine. But while you focus on daily tasks, Ohio's business environment continues to evolve in a way that will have a long-term impact on accounting. These developments might be well underway or happening just below the surface, but in the areas of marijuana, blockchain and start-ups, they present a valuable opportunity for Ohio CPAs to show their worth.

These topics are diverse, but they share a few things in common when it comes to accounting. Staying aware of changing legislation, networking with reputable individuals and the willingness to push yourself outside your comfort zone are all a crucial part of achieving business success in these areas. Read on to learn more from the experts on how you can leverage your professional expertise.

Blockchain

It might seem easy to put blockchain on the backburner now, but you and your business could feel the pain years later.

"Professionals need to get as much education as they can on blockchain in the accounting and finance space," said Lisa Turner, a certified blockchain expert and senior project manager with The Ohio State University. She's also the Columbus chapter lead of the Government Blockchain Association.

Turner advised accountants to keep an eye on blockchain legislation, like Senate Bill 220, cybersecurity legislation which Ohio House members amended to include the blockchain language.

Blockchain could have applications in every industry, she said, but it's important to understand when it will impact your own.

"Will blockchain solve every business problem? No. Will it apply to every business? No," she said.

Instead of ignoring blockchain because it doesn't directly apply to your business now, work to educate yourself through offerings from The Ohio Society of CPAs and other reputable providers, because Ohio is setting itself up as an important player in blockchain.

"A lot of people are surprised because we're a Midwestern state," Turner said. "And all of the advancements in technology have been in Silicon Valley, California, New York, Chicago or Boston, but we are definitely making great strides here."

Ohio was the first state in the nation to accept tax payments using cryptocurrency, and Cleveland recently held the "Blockland Solutions Conference" where JumpStart CEO Ray Leach announced seven funds were primed to invest $100 million in "early-stage startups that focus on using blockchain technology for business or government."

"If you are a CPA, why not attend a conference totally dedicated to blockchain," she said. "You would be amazed at the information you can gain and I think it allows you to gain exposure and experience to real life use cases."

"People from IBM, Consensus and Oracle and companies in Ohio were there," said Turner, who attended the Blockland conference. "And some people from a global perspective. Which is huge. If Cleveland wins, Ohio wins."

She urged accountants to educate themselves on the capabilities of blockchain, and to avoid thinking that the technology hasn't matured enough and it doesn't apply to them. If it doesn't make sense now, she said you need to be ready for when it does.

"There is so much in the emerging technology area you can't say this won't fit my business model," Turner said. "You need to know what it can and cannot do to help your organization."

Marijuana

Ohio continues to navigate the smoke-filled maze of marijuana legalization, and many industries, including finance, are beginning to cautiously participate. But that involvement for accountants means both opportunities and complications.

"I think a lot comes down to understanding the unique nuances of the industry and it comes down to education," said Justin Breidenbach, CPA, associate professor of accounting at Ohio Wesleyan University. "The mistakes I see are where people try to compare it with other industries."

Breidenbach, who has studied the marijuana industry for years, said "it's not like growing soybeans or corn and working with a business in that area." He said the regulation, cost structure and even tax structure is vastly different compared to other industries like agriculture, retail or pharmaceutical.

In January the Ohio Medical Marijuana Control Program reported sales of $947,000. Dispensaries sell limited amounts and patients pay up to $60 for a day's supply. At the time this magazine went to print, nine dispensaries have been licensed to open in Ohio.

He said he's had meetings with firms who are interested in learning more about the industry, but advises anyone that it's important you're working with reputable individuals. If you do reach out to learn more, ensure you've gone through the proper vetting process.

"A lot of people look at this industry as a lot of cash and a lot of money moving around," he said. "You do have companies try to take advantage of that. Some businesses tout themselves as cannabis educators and really they're providing generic information that's superficial and on the surface."

He urged companies to do their homework when considering getting involved, and said "it's not something you should dabble in. It's not an area you should play in and then get out, you need to consciously make that decision and think about your goals as a CPA and a firm and if you really want to try to make a name for yourself in the industry."

The legislation dance continues, with introduced Ohio Senate Bill 57 that would decriminalize the growing of industrial hemp cultivation and specify that people can possess CBD oil.

Ohio has come a long way in only a matter of years, but there's still plenty of room for growth, and depending on the results of future national elections, Breidenbach said recreational use could be legalized sooner rather than later.

"It's really been amazing," Breidenbach said. "Back in 2012 people didn't want to talk about it and if you mentioned the word you got these strange looks and people thought accountants shouldn't be involved. Firms are starting to understand their value and how they're needed as a resource to help this industry expand and stay on the right side of regulation and help owners become profitable. There are a lot of opportunities to get involved and I think people are seeing that more and more."

Startups

There's no Google headquarters and the sun shines less here, but Ohio could be positioning itself to become the next Silicon Valley. According to a report from Forbes and VentureOhio's 2017 Venture Report, "more VC funding is currently flowing through Ohio than at any point in the state's history. In fact, in 2016, $470 million was invested in 210 startups, a 46% increase over the previous two years."

Rev1 Ventures, a Columbus venture capital firm, offers a program that connects startups with professional service offerings, like accounting, in the process of growing their business.

"The challenge is finding the firms that can do the work and accommodate what is very unique at a startup," said Mike McCann, senior vice president of corporate sponsorships at Rev1. "A startup company is very chaotic, there's very little funding and big ideas from people who want to do a lot, and that can be a challenging environment to work in as a services partner."

The program is structured to offer discounted and sometimes even donated services to these startups, but it's also done strategically to emphasize long-term partnerships for both sides. McCann said it's crucial to be flexible with startups, as you watch the company grow from a couple dozen employees to hundreds.

Entrepreneurs don't always consider adding an accountant to the payroll, however, and McCann said often they need to be guided to that decision. McCann said as they advise startups on mitigating risk, having strong financial controls and reporting is an important part of the business when a potential investor wants to get involved.

"If a team is spending an inordinate amount of time on these things that a CPA or accountant or other experts and resources can do really efficiently for them, that's a concern," he said.

McCann said if you're willing to take on some risk in the beginning, there could be significant value and opportunity for CPAs working with startups. They don't all make it, but continuing to connect with the startup community and building relationships could lead to valuable clients in the future.

Two areas startups need assistance in are basic bookkeeping and someone who can complete CFO-like tasks.

"Consider if there is a way to offer those kinds of CFO services fractionally to companies in ways that are affordable and limited to what they need," he said.

McCann said there has never been a better time to get involved with startups, especially in the Central Ohio area.

"Accountants can really set themselves apart here," he said. "If they engage and support startups at the earliest stages with some level of flexibility."

Understanding and addressing unconscious bias

By Kimberly Drumgo, MBA, PMP

Do any of these situations sound familiar? While assembling a team to work with a new cloud startup, the partner picks mostly staff members in their late 20s or early 30s, rather than those in their 40s, in the belief they will feel more comfortable with a tech client. A candidate who arrives late—but has great experience and references—doesn't get the job because the interviewer assumes he or she is probably lazy. In another case, an interviewer who played tennis in college favors a job candidate whose background doesn't quite suit the job but who excelled in tennis at school.

These are all examples of unconscious bias, a trait we all share no matter how good our intentions. It's a challenge CPAs should be aware of, because it might prevent individuals from receiving important career opportunities and cause firms to overlook important information when making key business decisions. Here are some guidelines on how to spot and tackle unconscious bias in the workplace.

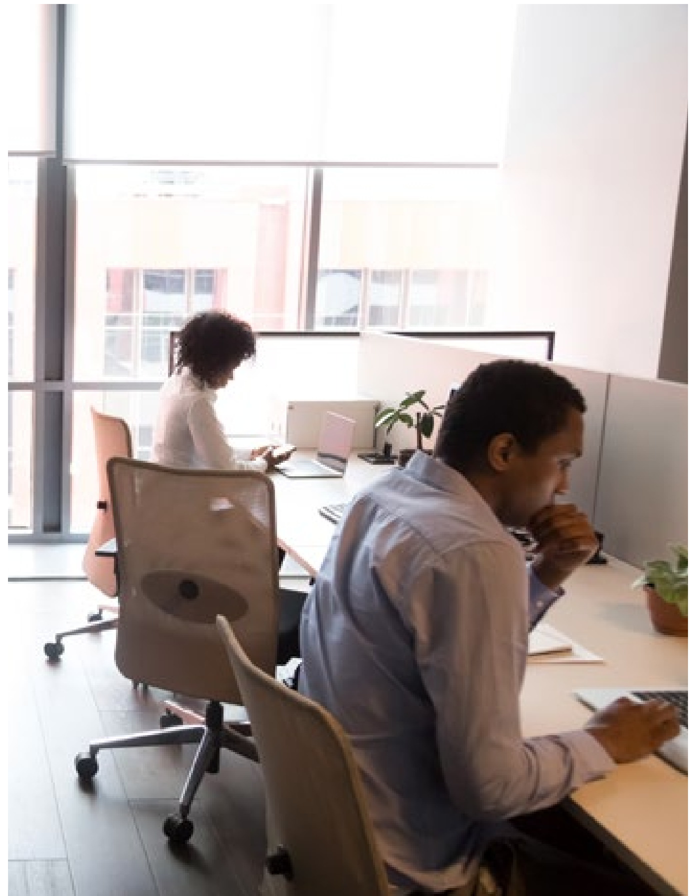
Recognizing our biases

Bias is inescapable, but it doesn't make us bad people. Whether conscious or unconscious, biases aren't limited to physical characteristics such as gender, ethnicity, race or age. There are more than 100 types of biases and misconceptions that also relate to how we do our jobs, make decisions, whom we socialize with and where we socialize.

There are four primary triggers that explain why bias persists in our daily lives:

Too much information: At any moment, we are exposed to more than 11 million bits of information per second, yet our human brains can only process a few bits at a time; the rest of the information is left to be processed unconsciously. Therefore, we subconsciously sort, categorize and prioritize information most important or familiar to us when making decisions. The most common bias to come into play when we are suffering from "information overload" is confirmation bias, which we use to confirm what we believe to be true. For example, you hold the belief that a team member is not pulling their weight. During your encounters with the team member, your observations are focused on finding evidence that demonstrates the team member's ineffectiveness. Confirmation bias places more importance on proving ourselves right and not on understanding the facts and perspectives in play. The omission of key facts and perspectives often results in drastically different outcomes that can have negative business impacts.

Not enough meaning: With so much information at our disposal, it can be difficult to assign meaning to different situations. In the absence of meaning, we create our own meaning using assumptions, stereotypes (good and bad) and what's most familiar to us. Affinity bias and in-group



and out-group biases most often surface when we need to create meaning in specific situations or environments. In such cases, we find meaning and gravitate toward those who are familiar to us or who have similar personalities or interests. Those who are similar tend to stick together, often creating in-group and out-group dynamics. The in-group are the "cool kids," the dominant group, and have affinity toward each other; those who do not share enough of the in-group's traits are considered the out-group. This leads to micro-inequities, in which the in-group receives privileges that those in the out-group do not. The persistence of affinity bias and group biases erode trust, collaboration and cohesive team dynamics, ultimately creating a dysfunctional organizational culture.

Not enough time: When time is a critical factor and we are faced with making a decision that might require sorting through information and meaning, the default decision is often the path of least resistance. This is status quo bias, which means doing what you've always done, because you assume it worked and not much has changed. Firms may see this bias in the type of employees they hire, the technology they've used for the last 20 years or the benefits they offered to their employees. Status quo bias stifles innovation and growth in organizations.

Not enough memory: We all remember the most impactful events and circumstances in our lives. However, not all events and circumstances impact us the same way, and what we remember is a very individualized process. For example, the experience one partner has with staff at a client site can be the opposite of what someone else recalls. This not-enough-memory scenario can lead to halo and horns bias effects. The halo effect is remembering the one good thing that a person did while ignoring the rest of their performance. The opposite is true for the horns effect: if a staffer made a mistake on a major project, that story may become their legacy at that firm. In both scenarios, the feelings about the staffers can then be transferred to other unrelated attributes and unfairly increase or decrease growth opportunities for the staffers.

As you can see from the triggers just outlined, we all have a natural propensity to prefer people who look like us, sound like us, share our beliefs and interests and whose situations confirm our beliefs or expectations. Our biases develop over time and are shaped by our backgrounds, life experiences and personal beliefs. Unfortunately, if our unconscious biases go unchecked, we might unknowingly take the wrong action or make incorrect decisions based on assumptions, stereotypes and misperceptions.

Minimizing bias in the workplace leads to a more trusting, diverse and inclusive environment, which is good for business and the bottom line: companies with a diverse workforce are 35% more likely to outperform organizations that don't have diversity initiatives, McKinsey research has found. In addition, 85% of companies agreed that diversity is key to driving innovation in the workplace, according to a *Forbes Insights* study. Employees at companies with inherent and acquired diversity were 45% more likely to report growth in market share and 70% more likely to report that the company had captured a new market, according to a *Harvard Business Review* report.

Taking steps toward change

Understanding unconscious bias is important, because it can affect hiring, performance evaluation, promotions and general interaction with team members. The first step is to admit we are biased and then identify those biases. Begin by doing the following:

- **Create more awareness around bias.** The more we talk about biases the more we are aware of them. Leverage training and other free resources to enhance awareness.
- **Avoid the bias triggers.** Slow down and consider the information available to you before making snap decisions or judgment.
- **Check for bias within yourself and others.** Are your assumptions accurate or are they out of date and unfounded? A good resource is *https://implicit.havard.edu/implicit/*.
- **Call out and address biases as you see them.** Don't wait until it is too late to course correct.

- **Establish processes to minimize bias.** By putting more structure around key areas that lend themselves to bias, we minimize the likelihood of bias creep. A few examples include blind interviewing, removing pronouns and jargon from job descriptions and evaluating workforce metrics to see if there are pay and promotion discrepancies based on a variety of diversity dimensions (i.e., gender, age, ethnicity and race).
- **Create opportunities to learn.** Take time to think about what motivates others and how best to address their motivations.

A look in the mirror

The best advice in addressing unconscious bias is to look at yourself in the mirror, recognize your own biases and consider how best to dissolve them. You'll be surprised at the many benefits of overcoming your own assumptions or misperceptions.

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Kimberly Drumgo is the director of diversity and inclusion at the AICPA.

Kim.Drumgo@aicpa-cima.com
linkedin.com/in/kimdrumgo/

FAST FACTS

1. There are more than 100 types of biases and misconceptions that relate to how we do our jobs, make decisions, whom we socialize with and where we socialize.

2. If our unconscious biases go unchecked, we might unknowingly take the wrong action or make incorrect decisions based on assumptions, stereotypes and misperceptions.

3. Research has shown that minimizing bias in the workplace leads to a more trusting, diverse and inclusive environment, which is good for business and the bottom line.

4. Steps you can take to minimize unconscious bias include creating more awareness, avoiding bias triggers, call out and address biases as you seem them and create opportunities to learn.

Agility: It's what's missing from employee development

By Julie Winkle Giulioni

Employee development is in the midst of a transformation for many organizations. And, let's face it...it's about time. For too long, development has been:

- Owned by the Human Resources and Learning functions, which have valiantly created and offered systems and processes designed to ensure that leaders engage with their employees. But too frequently the results merely reflect compliance and little genuine interest.
- Treated like an annual "to-do." Managers schedule and attend to it with the same enthusiasm as their yearly physicals: putting it off as long as possible, getting it over with as quickly as possible and then forgetting about it until next year. Sound familiar?
- Viewed as an "extra" to be doled out to some chosen members of the workforce. Yet increasingly it's clear that development isn't the "icing" but rather the "cake" for large swaths of the workforce.
- Undervalued and, as a result, underutilized. According to Josh Bersin, millennials rate development as their #1 job benefit. Gallup's report, "How Millennials Want to Work and Live," highlights that 59% of millennials express that "opportunities to learn and grow" are extremely important

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to them when seeking employment. But they are not alone in valuing development. Forty-four percent of Gen Xers and 41% of Baby Boomers express the same sentiment. And my own research, reported in "Blowing Your Millennial Mindset," identifies that one workplace belief rises to the top of the list for all generations. It is: "One of a manager's fundamental roles is to support his or her employees' careers."

- Aligned with the goal of advancement. But the old "do this and you can become that" formula rings hollow as organizations adopt less hierarchical structures with fewer opportunities for promotions or even lateral moves.

Where we are today

Given today's tight labor market and competition for top talent, organizations are having to confront the shortcomings of past development practices. They are exploring more sustainable approaches to growing the capacity and the careers employees want. And the word that keeps coming up time and again is "agility."

Employees need to develop agility

In today's fast-moving environment characterized by disruption in many industries and sectors, employees at all levels must become increasingly nimble. Those who can respond quickly to changing conditions will survive and thrive. This requires a clear-eyed view of themselves, their talents and performance (the good, bad and ugly). But it also requires an understanding of the broader business landscape and the ability to anticipate new directions and possibilities. As a result, agility may be one of today's most valuable skills to develop.

Leaders need to develop agility

It's no secret: leaders and managers live in a time desert. They're tasked with priorities and initiatives that regularly outstrip what's possible. Every day, they must make hard choices to address one critical issue or activity, knowing that another will languish as a result. So, what's the answer? Working harder or longer is not an option as many leaders have reached (and exceeded) maximum capacity. Working differently is the only option. And this is only possible by disrupting the status quo and introducing agile thinking and action.

Organizations need to develop agility

Supporting greater agility on the part of employees and leaders requires changes at the organizational level. Systems and processes that have historically slowed things down must be reconceived and recalibrated to work at the speed of business. So, let's start advocating for agility, starting with development itself.

*This article originally appeared on the Saba Blog at "**http://www.saba.com/blog**" and is reprinted with permission.*

Hear more about agility on OSCPA podcast, "The State of Business," where we spoke with sales and development leader Amy Franko about the core skills CPAs need to succeed, agility being one of them. Subscribe and listen now!

What it means to build a diverse pipeline

By Jessica Salerno, OSCPA senior content manager

Accounting's commitment to a diverse pipeline means understanding the nuances of diversity and the individuals who will shape the profession's future.

"Historically, I think the field has conceptualized the pipeline as one that is diverse in terms of gender and race, which is great, but also limiting in a lot of ways," said Sierra Austin, Ph.D., OSCPA manager of diversity and inclusion. "So for example, while we do want to see more women and African Americans in the profession, we also want to see greater diversity in race and ethnicity, greater representation of nontraditional and first generation college students, those representing the LGBTQ community and those who identify as having disabilities—visible or non."

Austin said it's critical to take an "intersectional approach" when thinking about how these various identities overlap. Demonstrating thoughtfulness when it comes to all parts of someone's identity means recognizing the validity of each individual and their unique experiences, and the different perspective that person might bring to the profession.

OSCPA continues to work diligently to build and diversify the pipeline through The Ohio CPA Foundation and programs such as Accounting Careers Awareness Program (ACAP-OH), Accounting Careers Leadership Academy (ACLA), CPA Camp and the ASPIRE Program. There is also a new initiative called the STRIVE Mentoring Program, a structured, tiered mentoring initiative for high school students, undergraduates and young professionals.

"Diversifying the pipeline, and diversity and inclusion more broadly, isn't something organizations can, or should, do in a vacuum," Austin said. "Partnerships, collaboration and the sharing of resources is key."

Along with numerous school partnerships, OSCPA also has a Task Force of professionals committed to achieving strategic D&I goals.

On an individual level, Austin said you can work to diversify the pipeline by working on empathy.

"I think this is the first step, and something everyone can do – from the CEO to facilities and custodial staff – to create the ideal workplace culture," she said. Everyone wants to feel like they're a part of a team – a part of something bigger than themselves."

Another step you can take is understanding the shifting demographics in the country. Austin said we need to be ready to adapt to make the profession representative of the populations it serves.

"Diversify the pipeline" is a phrase you won't stop hearing or reading any time soon. It's an important and worthwhile commitment, but to succeed it needs to be given the care and forethought it deserves.

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July 18	Cincinnati Reds Game	Cincinnati	6:00 pm
August 1	Toledo Mudhens Game	Toledo	6:30 pm

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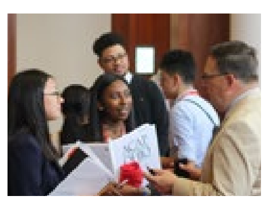

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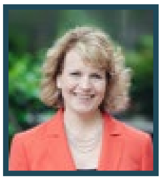
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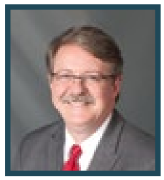
David M. Reape, CPA

AKRON
Jennifer Martin, CPA, CFE has been promoted to manager at Bober Markey Fedorovich.

CANFIELD
SSB CPAs purchased **Lee Palmer CPA LLC**.

SSB CPAs has announced the acquisition of **Stabi, Burnett, & Company**.

CLEVELAND
Terry LaCorte, CPA has been promoted to managing director at Clearstead.

Maureen Leneghan, CPA, CFP® and **Ted Robbins, CPA, CFP®** have been promoted to director at Clearstead.

Lisa Chavez, CPA has been promoted to senior associate at Clearstead.

Matthew L. Blewitt, CPA, CVA and **Jon Ruple, CPA** have been elected to shareholder at Maloney + Novotny.

David M. Reape, CPA has been hired as a principal and director at HW&Co.

Kelly Harrington has been hired as staff accountant at Bober Markey Fedorovich.

COLUMBUS
Tiffany L. Rankin, CPA has been elected to shareholder at Maloney + Novotny.

Holbrook & Manter, CPAs are celebrating their 100th anniversary this year.

Neil Madsen, CPA and **David Sproule, CPA,** owners of Professional Practice Management, Inc. will become directors (partner) in Blue & Co.

James Yerina, CPA, owner of Professional Practice Management, Inc. will work in a CFO capacity with MaternOhio Clinical Associates, Inc.

Bart Hickey, CPA has been hired as senior manager at GBQ.

Ellen Bioch, CPA has been named a partner at GBQ.

DEFIANCE
Tyson L. Stuckey, CPA, CVA, MAFM was elected by the board of directors of Shultz Huber & Associates to serve as the firm's managing partner.

Rob Bourn, CPA has been promoted from principal to shareholder at Shultz Huber & Associates.

DELAWARE
Janell M. Kuck, CPA has been elected to shareholder at Maloney + Novotny.

DUBLIN
Mike Shultz, CPA has been hired on the valuation and transaction advisory services team at Rea & Associates.

FINDLAY
Nikki Clement, CPA has been named managing partner at Gilmore Jasion Mahler.

Mike Brough, CPA will lead growth efforts at Gilmore Jasion Mahler's Findlay office.

Andrea Jennex, CPA has been promoted to supervisor at Gilmore Jasion Mahler.

MAUMEE
Judy Anderson, CPA and **Matt Cavanagh** have been promoted to partner at Gilmore Jasion Mahler.

Ryan Avery, CPA has been promoted to supervisor at Gilmore Jasion Mahler.

Mary Jo Pitzen, CPA, and **Diann Stretten, CPA** have been promoted to senior manager at Gilmore Jasion Mahler.

Ben Lochbihler, CPA has been promoted to manager at Gilmore Jasion Mahler.

Clay Barron, CPA and **Corey Selhorst, CPA** have been promoted to senior associate at Gilmore Jasion Mahler.

Alyssa Essert has been hired to strengthen the administrative team and client service at Gilmore Jasion Mahler.

Alexandria Frances, Courtney Haas, Nicole Hartranft, Jennifer Henning, CPA, Dana Herr, Thomas Keyser, Wendy Long, CPA, Caleb Neeper, Joe Osentoski, CPA and **Tina Rochowiak** have been hired to strengthen the administrative team and client service at Gilmore Jasion Mahler.

POWELL
Lori Kaiser, CPA, CGMA, CEO of Kaiser Consulting was awarded the 2019 Columbus Chamber Small Business Leader Award.

ST. MARY's
Kim Ray, CPA has been promoted to shareholder at Shultz Huber & Associates.

TOLEDO
William Vaughn Company has been named one of The Blade's Top Workplaces for the sixth consecutive year in a row.

VAN WERT
Stacey Baer, CPA and **Steve Samples, CPA** have been promoted from principal to shareholder at Shultz Huber & Associates.

WESTLAKE
Brendan P. Fitzgerald, CPA, of Westlake has been appointed to the Accountancy Board for a term ending Oct. 20, 2025.

WORTHINGTON
Blue & Co. LLC (Carmel, Indiana) has merged with consulting firm **Professional Practice Management, Inc.**

New members and affiliates

376 new members and affiliates applied in **December**

78 new members and affiliates applied in **January**

The list of new members and affiliates is available on The Ohio Society of CPAs’ website at **www.ohiocpa.com/quick-links/about-oscpa**

Social Chatter

We can’t wait for our upcoming Women’s Wealth and Wellness Conference on June 27. Check out our social channels for sneak previews of the speakers and find out how they define success!

Register for the conference at

ohiocpa.com/WWW2019

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