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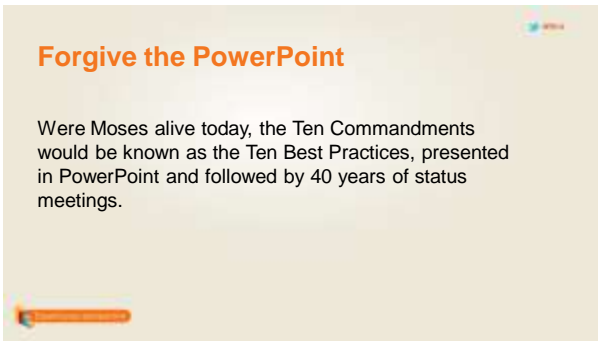
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### What You Can Expect

- ✓ News impacting you
- ✓ Legislative developments
- ✓ Trends forecast
- ✓ Talent management issues
- ✓ Technology developments

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### Big changes in CPE

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### Changes to CPE requirements

Ohio is the first state to approve micro CPE.\*



*\*Pending JCARR approval*

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### Changes to CPE requirements

Other changes from the Accountancy Board of Ohio:

- Minimum of 20 hours per year
- 400 minutes to earn 8 hours
- Limited credit for teaching hours

*\* Pending JCARR approval*

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### News in the profession

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### Tax Inversions

Goal: exchange the U.S.'s corporate tax rate of 35% for a much lower one elsewhere.

Could cost the government up to **\$20 billion** in the next 10 years.

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### Tax Inversions

Shareholders in companies pursuing inversions are likely to owe capital-gains tax if the deals occur.

Unlike with other taxable mergers, they won't receive any cash payment to help cover it.

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### Tax Inversions

If an investor bought shares in a firm at **\$10 apiece**, and the firm "sells" itself in an inversion merger at **\$40 a share**, the investor will typically receive shares in the new firm and **owe tax on the \$30 per-share difference** between the original cost and the price at the time of the merger.

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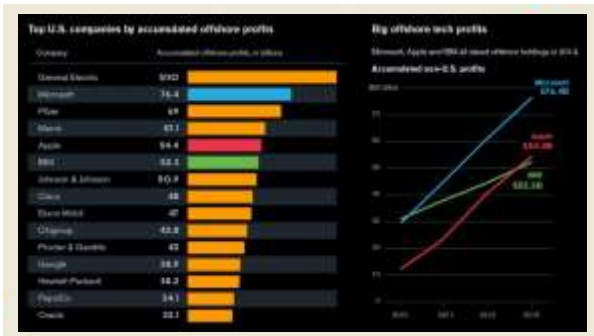
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### Are Accountants to Blame?

“These accountants are saying, you know what, we found a great loophole: If you just flip your citizenship to another country, even though it’s just a paper transaction, we think **we can get you out of paying a whole bunch of taxes.**”

President Barack Obama

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### Is It Unpatriotic?

“**It’s not fair. It’s not right.** The lost revenue to Treasury means it’s got to be made up somewhere, and that typically is going to be a bunch of hardworking Americans who either pay through higher taxes themselves or through reduced services.”

President Barack Obama

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## Is It Unpatriotic?




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## Revenue Recognition

Effective date seems far off, but you need to **start now** if changing your preparation method.

1. **Build a team and a plan**
2. **Make sure you understand the standard**
3. **Analyze contracts and revenue streams**

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## Learn more!

### Interpreting the New Revenue Recognition Standard: What All CPAs Need to Know

Webcast: Oct. 24, 8:30 a.m. – 12 p.m.

### How Will You Handle the New Revenue Recognition Standard?

Webcast: Nov. 17, 3 p.m. – 5:00 p.m.

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## AICPA: Redefining Compilation

- CPAs and financial statements:
  - Management's responsibility
  - A nonattest service
  - No report required
- Compilation standards only apply when **engaged** to perform a compilation

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## Convergence Fail

IASB's new financial instruments standard introduces an expected-loss impairment model.

It effectively closes the door on convergence with FASB.



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## Lease Accounting

IASB: **single model** for lease expensing.

FASB: **dual model** for lease expensing.

.... creating a potential headaches for CPAs

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### Dual Model

- ✓ Treats some leases as straight-line expenses and others as financings.
- ✓ Keeps distinction between finance leases and operating leases.
- ✓ Wouldn't change the lessee's income statement.
- ✓ All leases would be recognized on the balance sheet.

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### Virtual Currency Dangers

Virtual currency exchanges are required to register with the Financial Crimes Enforcement Network — part of the U.S. Treasury Department.

Virtual currencies don't have status as legal tender in any jurisdiction.

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### Virtual Currency Dangers

- Hackers
- Fewer protections
- Cost
- Scams

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### Virtual Currency Dangers

Be prepared to weather very large price fluctuations.

In 2014, the one-day price drop has been as big as **80%**.

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### Virtual Currency Dangers

If your virtual currency is stolen, **there is no other party to help you.**

If you lose your private keys, **you've lost your funds forever.**

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The IRS saga

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### Regulation of Tax Return Preparers

Feb. 11, 2014 court decision: **IRS does not have the authority to regulate tax preparers** ....

Unless Congress gives it the authority.

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### Regulation of Tax Return Preparers

Why wait for Congressional authority?

Introducing the IRS **voluntary registration program!**

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### IRS Voluntary Registration Program

- Take some classes, get a certificate and enroll in a database!
- IRS allocated funds to push Congress for the authority to regulate tax preparers

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### IRS Voluntary Registration Program

- OSCPA sent IRS Commissioner list of concerns:
- ✓ Pushed through without public comment
  - ✓ Bad policy – will only further confuse the public

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### IRS + Health Care

In late July, IRS released draft versions of forms for employers and individuals to comply with the Affordable Care Act

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Political Landscape

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Why do we endorse candidates?



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General Election Endorsements

- More than 50 CPAs across the state participate
- Face-to-face interviews with statewide candidates
- Regional committees evaluate Ohio House, Ohio Senate, Ohio Congressional Delegation candidates



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### General Election Endorsements

The Ohio Supreme Court races matter!



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### General Election Endorsements

**Ohio Supreme Court:**

- Justice Judith French
- Justice Sharon Kennedy



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### General Election Endorsements

**For Governor:**

Gov. John Kasich and  
Lt. Gov. Mary Taylor, CPA



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### General Election Endorsements

#### Secretary of State

- Jon Husted



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### General Election Endorsements

#### Attorney General

- Mike DeWine



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**General Election Endorsements**

**State Treasurer**  
• Josh Mandel



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**General Election Endorsements**

**For Auditor of State**  
• Dave Yost



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### General Election Endorsements

See full list at [ohiocpa.com/elections](http://ohiocpa.com/elections).



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### Municipal Income Tax Reform



Continues to be our top legislative priority

October – December:  
**critical period for HB 5**

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### Municipal Income Tax Reform

- Senate hearings continue **Nov. 10** – at least three more hearings.
- The Senate WILL vote, but it will be close.

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### Senate Finance Committee Republicans

Sen. Scott Oelslager, Chair  
(614) 466-0626  
[oelslager@ohiosenate.gov](mailto:oelslager@ohiosenate.gov)

Sen. Dave E. Burke  
(614) 466-8049  
[burke@ohiosenate.gov](mailto:burke@ohiosenate.gov)

Sen. William P. Coley, Vice Chair  
(614) 466-8072  
[Coley@Ohiosenate.gov](mailto:Coley@Ohiosenate.gov)

Sen. Randy Gardner  
(614) 466-8060  
[gardner@ohiosenate.gov](mailto:gardner@ohiosenate.gov)

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### Senate Finance Committee Republicans

Sen. Jim Hughes  
(614) 466-5981  
[hughes@ohiosenate.gov](mailto:hughes@ohiosenate.gov)

Sen. Frank LaRose  
(614) 466-4823  
[larose@ohiosenate.gov](mailto:larose@ohiosenate.gov)

Sen. Shannon Jones  
(614) 466-9737  
[jones@ohiosenate.gov](mailto:jones@ohiosenate.gov)

Sen. Tom Patton  
(614) 466-8056  
[patton@ohiosenate.gov](mailto:patton@ohiosenate.gov)

Sen. Bob Peterson  
(614) 466-8156  
[peterston@ohiosenate.gov](mailto:peterston@ohiosenate.gov)

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### Senate Finance Committee Democrats

Sen. Tom Sawyer, Ranking Minority  
(614) 466-7041  
[sawyer@ohiosenate.gov](mailto:sawyer@ohiosenate.gov)

Sen. Shirley A. Smith  
(614) 466-4857  
[smith@ohiosenate.gov](mailto:smith@ohiosenate.gov)

Sen. Joe Schiavoni  
(614) 466-8285  
[schiavoni@ohiosenate.gov](mailto:schiavoni@ohiosenate.gov)

Sen. Charleta B. Tavares  
(614) 466-5131  
[tavares@ohiosenate.gov](mailto:tavares@ohiosenate.gov)

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## Municipal Income Tax Reform

Visit [www.ohiocpa.com/munitax](http://www.ohiocpa.com/munitax) and use the simple letter writing tool!

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## Economy

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## National Numbers

Deficit falling – borrowing at lowest levels since 2007



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### Deficit Gap as Percentage of GDP

2009 = 9.8%

2014 = 2.8%

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### National Numbers

Job openings:

- 4.7 million on June 30, sharp rise from 3.87 million in January
- Highest level since early 2001
- Average increase = 159,000 per month

*Job Openings and Labor Turnover Survey*

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### Ohio Economic Dashboard

- Manufacturing is on the **rebound** in Ohio.
- The sector has **added 54,000 jobs** in the state over the past four years, the **best gain in the past 20 years.**



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### Ohio Economic Dashboard

Ohio set a new state record for exports in 2013 – **\$50.5 billion** – growing about **twice as fast** as the national rate.



Source: U.S. Department of Commerce

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### Ohio Economic Dashboard

Since January 2011, Ohio's unemployment rate has improved from **9.1%** to **5.7%** as of July.



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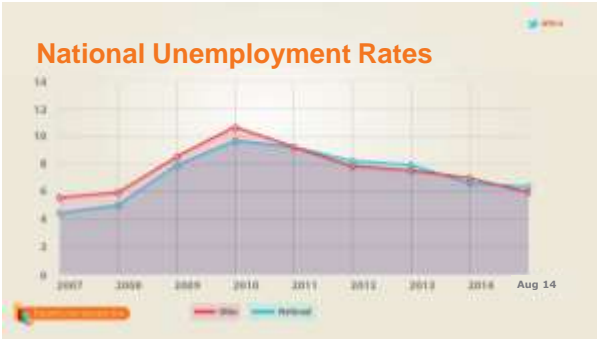
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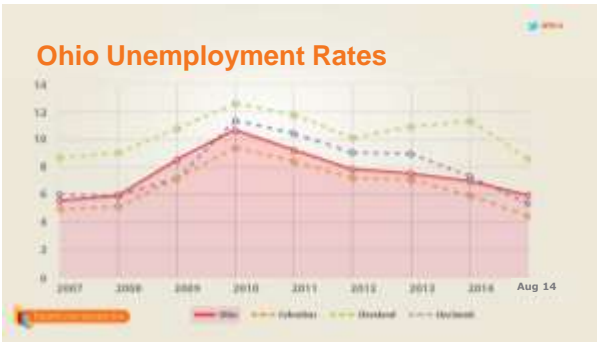
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### Ohio Unemployment Fund

Ohio still owes **\$1.3 billion** to the federal government for loans to shore up state unemployment funds during the recession.



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### Ohio Unemployment Fund

Ohio's unemployment fund has spent more than it has collected every year **since 2001**.

January bill for employers = **\$84 per employee**



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### Ohio Unemployment Fund

Options to **increase revenue**:

- Inflate tax schedules
- Raise or remove maximum tax rates
- Raise minimum rates
- Charge a surtax



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### Ohio Unemployment Fund

Options to **reduce expenses**:

- Reduce benefit amounts
- Add waiting period before receiving benefits
- Reduce those who qualify for benefits
- Reduce the maximum time for benefits



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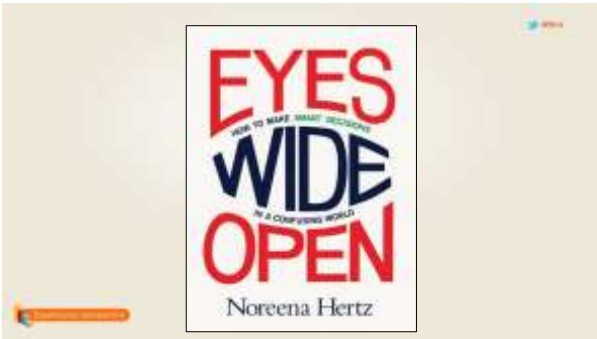
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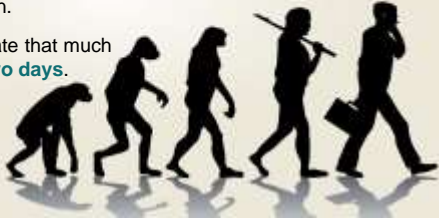
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### Information Overload

Between the dawn of time and 2003 we created **5 exabytes** of information.

We now create that much info every **two days**.



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### Information Overload

It would take you 8 years to watch all of the video that was uploaded to YouTube.

Yesterday.



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### Super Transparency

Anyone can be paparazzi

Or paparazzi prey.



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## Super Transparency

100% chance your organization **will be breached**.

Less likely **anyone will know about it**.

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## Accept That Times Are Changing



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## Challenger-in-Chief



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### Challenger-in-Chief



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### Technology trends

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Wearable technology is projected to make **\$6.2 trillion** by 2025, according to consulting firm McKinsey.

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## Wearable Technology

**Financial services**, from firms to analysts, are taking a close look at how wearable devices could be adopted by both **advisors to enhance the way they work** and consumers looking to **streamline the way they interact with the financial companies** in their lives.

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## Wearable Technology

How do you get customers to feel like they that have a **premium experience** through a **digital relationship**?

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## Wearable Technology

**Fidelity:**

- **Glassware app** allows users to get a market card, with closing prices, at the end of each trading day.
- **Pebble watch app** allows users to see stock prices of securities they want to follow.

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## Wearable Technology

- Barney's MICA bracelet ("My Intelligent Communication Accessory")
- 1.6-inch curved touchscreen, 3G
- Get alerts, notifications without pairing with a phone



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## OSCPA Spotlight Series

- For CPAs, high tech can lead to high touch when it comes to customer/client relationships.
- Two founders from Upsourced Accounting to explain.



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**OSCPA Spotlight Series**

- Video segments exploring trends in the profession
- Part of OSCPAs commitment to offering robust content to meet your needs and interests



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**New CPA Voice app**



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## How to Spot Talent

**Potential** – the ability to adapt to and grow into increasingly complex roles and environments – now trumps brains, experience and “competencies.”

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## How to Spot Talent

**Volatile**  
**Uncertain**  
**Complex**  
**Ambiguous**



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## 5 Indicators of Potential

1. Motivation
2. Curiosity
3. Insight
4. Engagement
5. Determination

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## How to Spot Talent

Dig into personal & professional history

Example: To evaluate curiosity, look for signs of self-improvement, continuous learning and the ability to recalibrate after missteps

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## Questions to Ask

How do you **invite input** from others on your team?

What do you do to **broaden your thinking**, experience or personal development?

What steps do you take to **seek out the unknown**?

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## What Energizes Workers

1. **Autonomy**: The freedom to direct our lives
2. **Mastery**: Our craving to excel
3. **Purpose**: the yearning for our work to serve something larger than ourselves.

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## What Energizes Workers

- ✓ Give autonomy in task, time, team and technique
- ✓ Set difficult but attainable challenges and eliminate distractions
- ✓ Engage them in larger team, organization or societal goals

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## Myth of the Bell Curve




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## Myth of the Bell Curve




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### Why Diversity & Inclusion Matters

- 1. Better performance
- 2. Demographic changes
- 3. Minority board membership matters
- 4. Succession planning
- 5. Global opportunities

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### Why Diversity & Inclusion Matters

Work teams with high levels of inclusion **outperform** others by **8:1**

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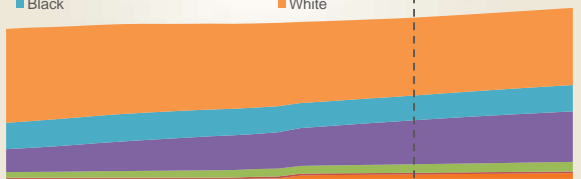
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### Minorities Becoming Majority

- Two or more races
- Asian/Pacific Islander
- Black
- American Indian/Alaska Native
- Hispanic
- White



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Get ready for Generation Z

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Get Ready for Generation Z



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Get Ready for Generation Z

They are a new species — “**screenagers**,” digital natives who have been wired from the crib.

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### Get Ready for Generation Z

Early research point to a generation that is **educated**, **industrious**, **collaborative** and **eager to build a better planet**.



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### Get Ready for Generation Z

During their initial weeks of **kindergarten**, they were upset by endlessly repeated images of planes blasting into the World Trade Center.

There has always been shows designed to be watched exclusively on the web.

Copyright©2014 Beloit College

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OSCPA's commitment to you

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### Member Value Survey

CPAs' top business challenges:

- Talent management
- Business development
- The regulatory environment




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### OSCPA Realignment

New focus on:

- Knowledge** — deliver timely news & info
- Learning** — build key skills and competencies
- Advocacy** — champion issues for CPAs & the public
- Community** — create opportunities for learning & networking

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### OSCPA Realignment

Dedicated Staff to Work with:

- Large Firms
- Small to Medium Firms
- Business & Industry
- Sole Practitioners
- Students, Educators & Affinity Partners




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## Training to Fit Your Needs

Quality education when and where you want it.

Choose On-Demand or on-site.

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## OSCPA Store

The One-Stop-Shop for Certified Public Accountants offers hundreds of courses in a variety of course formats, audit levels, and terms.

Renew Your Membership

Search Our Courses

**IN PERSON**

Attend courses in person at our training centers across the country.

- 80 Courses
- 100 Sessions
- 60+ Hours of Instruction
- 12 Audit Hours

**ONLINE**

Renew your membership by offering flexible, self-paced instruction.

- 40 Courses
- 80 Sessions

**SELF STUDY**

Renew your membership by offering flexible, self-paced instruction.

- 100+ Courses
- 100+ Hours of Instruction

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## Transcript

Transcript for Sarah, Spence - Reporting Group 4

Transcript generated on 09/17/2014 10:00:00 AM

Transcript Summary	Course
AC - Accounting Fundamentals 1.00	Accounting Fundamentals 1.00
AC - Accounting Fundamentals 2.00	Accounting Fundamentals 2.00
AC - Accounting Fundamentals 3.00	Accounting Fundamentals 3.00
AC - Accounting Fundamentals 4.00	Accounting Fundamentals 4.00
AC - Accounting Fundamentals 5.00	Accounting Fundamentals 5.00
AC - Accounting Fundamentals 6.00	Accounting Fundamentals 6.00
AC - Accounting Fundamentals 7.00	Accounting Fundamentals 7.00
AC - Accounting Fundamentals 8.00	Accounting Fundamentals 8.00
AC - Accounting Fundamentals 9.00	Accounting Fundamentals 9.00
AC - Accounting Fundamentals 10.00	Accounting Fundamentals 10.00

Print Transcript

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### Questions or Feedback

Scott D. Wiley, CAE  
awiley@ohiocpa.com

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