

**HOW TO HANDLE A  
PUBLIC RELATIONS  
CRISIS AND PRESERVE YOUR  
COMPANY'S REPUTATION**

**6 RISK  
MANAGEMENT  
MISTAKES CPA FIRMS MAKE**

**PREPARING FOR NEW  
NOT-FOR-PROFIT  
FINANCIAL REPORTING**



# Cure your clients' pain – and yours too

by Dr. Chandra Bhansali, Co-founder and CEO, AccountantsWorld

You know that most small-business clients find accounting work to be a hassle. Managing accounting is a distraction from what they love to do - growing their businesses. Few small businesses use accounting tools proactively to manage their business finances.



It's also hard for small businesses to get competent accounting or bookkeeping staff. And you know the consequences for your firm. You spend significant time fixing the bookkeeping errors clients make. Numerous surveys have rated this as a primary challenge accountants face.

## How did this happen?

It's the result of using popular DIY (do-it-yourself) accounting software like QuickBooks – solutions created for small businesses, not for professional use. Ironically, small businesses despise doing the work that comes with those DIY solutions. In fact, 40% of SMB owners say bookkeeping and taxes are the worst part of owning a business.

So why recommend these DIY programs to your clients? The response from most accountants: "What choice do I have?"

Virtually all accounting systems on the market today (even cloud-based systems) are DIY systems. And despite knowing that most small businesses dislike them, most software providers continue to push DIY accounting systems to small businesses.

## So what's the solution?

It's simple – eliminate the need for your small business clients to perform bookkeeping and accounting in their offices. Instead, offer them highly

profitable Client Accounting Services, including paying bills, recording transactions, performing trial balance work, creating financials, and managing their cash flow.

Accountants usually find that DIY systems aren't appropriate for offering Client Accounting Services to clients. You need a cloud-based professional accounting system like Accounting Power®, that lets your staff do what your clients' staff currently does... only faster, better and more accurately, without leaving your office.

## What to look for

Look for an accounting system that offers smooth bookkeeping workflow and eliminates the need to print checks. And for clients who continue to perform some accounting functions themselves, your professional system should let you work collaboratively with those clients, letting you customize the system for each client so they do the tasks they feel comfortable performing.

For clients who still want to write manual checks, your system should offer automatic bank feeds to help your firm perform write-up work efficiently. Also look for a solution with powerful trial balance capabilities, fully customizable financial statements, and a comprehensive dashboard and alerts so you can offer virtual CFO services.

DIY accounting solutions used to be a necessity, but you and your clients don't have to live with their limitations any longer. By introducing Client Accounting Services to your firm, you can grow your practice and serve your clients better.

## About the author:



Dr. Chandra Bhansali (CBhansali@AccountantsWorld.com) is the Co-Founder and CEO of AccountantsWorld, a leader in cloud-based accounting and payroll solutions for accountants. Learn more at AccountantsWorld.com.

# CONTENTS

SEPTEMBER | OCTOBER 2017

## in depth

### 4 Preparing for new not-for-profit financial reporting

Ohio CPAs weigh in on some of the most significant changes.

### 8 Recent changes to the R&D tax credit provide improved incentives for businesses

The R&D credit is now permanent and provides companies with an opportunity to properly plan for future initiatives.

## feature



### 13 How to handle a public relations crisis and preserve your company's reputation

The worst thing you can do is bury your head in the sand.

### 16 6 risk management mistakes CPA firms make

Managing CPA liability risk exposures is a complex process. Don't underestimate the potential for risk.

### 20 Foundation 2016-2017 Annual Report

Thanks to donors, the Foundation's impact continues to be long-reaching.

### 26 2017 hiring process: A full-court press

Companies need to speed up their hiring process to snag the best candidates.

### 32 Self-assessment exam

#### EXECUTIVE EDITOR:

Amy Bonacuse, CAE – abonacuse@ohiocpa.com

#### MANAGING EDITOR:

Gary Hunt – 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

#### ADVERTISING

For our display advertising rates or a copy of our media kit, contact us at sales@ohiocpa.com or by calling 800.686.2727.

#### ARTICLE SUBMISSIONS

We welcome submissions of analytical articles on issues relevant to Ohio CPAs. Desired length is 500-800 words. Send an electronic copy with a cover letter to the editor at the email address above. Please note that *CPA Voice* is not a peer-reviewed journal.

#### SUBSCRIPTIONS/CIRCULATION

Members of The Ohio Society of CPAs receive *CPA Voice* as a member benefit.

Nonmembers may subscribe for \$39.95 annually. To update your mailing address or to subscribe to *CPA Voice*, contact the member service center, toll-free at 800.686.2727.

#### REPRINTS

To order reprints of *CPA Voice* articles, or for reprint permission, contact the editor at the address above.

CPA Voice is the official magazine of The Ohio Society of Certified Public Accountants ("The Ohio Society of CPAs"). CPA Voice's purpose is to serve as the primary news and information vehicle for the more than 22,000+ Ohio CPA members and professional affiliates. Articles are reviewed for technical accuracy. However, the materials and information contained within CPA Voice are offered as information only and not as practice, financial, accounting, legal or other professional advice. While we strive to present accurate and reliable information, The Ohio Society of CPAs makes no warranties regarding the accuracy of the information provided herein. Readers are strongly encouraged to conduct appropriate research to determine the accuracy of the information provided and to consult with an appropriate, competent professional adviser before acting on the information contained in this publication. The statements of fact, thoughts, advice and opinions expressed in CPA Voice are those of the authors alone and do not represent or imply the positions, opinions, nor endorsement by The Ohio Society of CPAs or of its publisher, editors, Executive Board, or members. It is our policy not to knowingly accept advertising that discriminates on the basis of race, religion, gender, age or origin. The Ohio Society of CPAs reserves the right to reject paid advertising in its sole discretion. We do not necessarily endorse the resources, services or products unrelated to The Ohio Society of CPAs that may appear or be referenced within CPA Voice, and make no representation or warranties about those products or services or the accuracy and claims regarding those products and services. Advertisers and their agencies assume liability for all advertisement content and responsibility for all claims resulting from such advertisements made against The Ohio Society of CPAs.

The Ohio Society of CPAs does not guarantee delivery dates for CPA Voice and disclaims all warranties, express or implied, and assumes no responsibility whatsoever for damages incurred as a result of delivery delays.

CPA Voice (ISSN 0749-6284) is published six times per year by The Ohio Society of CPAs, 4249 Easton Way, Suite 150, Columbus, OH 43219, 614.764.2727, or 800.686.2727, fax 614.764.5880. Subscription prices for non-members: \$39.95.

Copyright © 2017 by The Ohio Society of CPAs; all rights reserved. No part of the contents of CPA Voice may be reproduced by any means or in any form, or incorporated into any information retrieval system without the written consent of CPA Voice. Permission requests may be sent to the editor at the address above. While care will be given to all materials submitted for publication, we do not accept responsibility for unsolicited manuscripts, and they will not be returned unless accompanied by a self-addressed postage prepaid envelope.

Periodicals postage paid at Columbus, OH and at additional mailing offices. POSTMASTER: Send address changes to: CPA Voice, The Ohio Society of CPAs, 4249 Easton Way, Suite 150, Columbus OH 43219.





## Keeping our eye on the ball

Last spring, I reported that OSCP staff is focusing on four key priorities this year to better drive value and support the CPA profession. We shared those with the Executive Board this summer and talked about

how best to tell the bigger story of what those outcomes might mean for members and others.

A rich discussion followed, during which we identified the many steps we are taking to meet our goals: developing our people, building a strong future talent pool in Ohio, improving Ohio's business climate and bringing new solutions to market to help CPAs grow business. There also were many stories shared of how CPAs are building interesting careers and helping companies succeed in a competitive climate.

Afterwards, we created a visual map – shown on page 3 – to help keep our eye on the ball as we move ahead with

the many project plans on our plate this year. We think it adequately captures how we are bringing OSCP's mission and vision to life, and being more market oriented and relevant to CPAs today and tomorrow.

Simply put, we're connecting the dots between our long-term vision and what we do every day to improve the customer experience. It's resulting in new energy, enthusiasm and innovation in our business model. How are you connecting the dots to drive more staff buy-in for your business goals?

**SCOTT D. WILEY**  
President and CEO

swiley@ohiocpa.com | 614.321.2218 (office) | 614.546.9430 (cell)  
Twitter: @ScottDWiley | LinkedIn: www.linkedin.com/in/scottwileycae

## Tailor team learning to strategic goals

Prepare your team with the knowledge and skills they need to grow your business with OSCP's Custom Learning Solutions.

### CUSTOM TRAINING

OSCP learning specialists can design specific programs based on your organization's unique needs, business objectives and market opportunities.

### CERTIFICATE PROGRAMS

OSCP's certificate programs build skills and highlight competencies in a defined area.

### PACKAGED COURSES ON CORE CONTENT

Focus on technical knowledge and business acumen through packaged curricula.

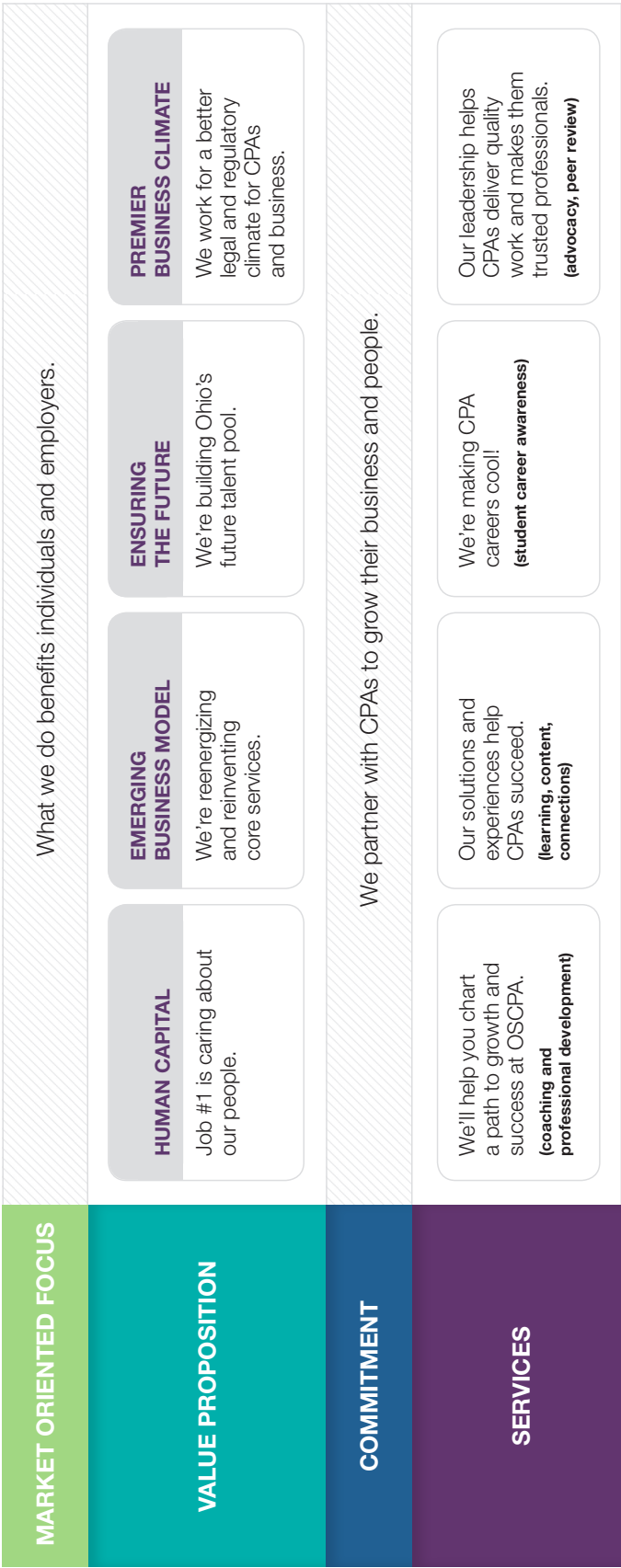


Contact Tiffany Crosby, CPA, CTP, director of learning, at [tcrosby@ohiocpa.com](mailto:tcrosby@ohiocpa.com) or 800.686.2727 x2255 for more information on how OSCP can meet your learning needs.

The Ohio Society of CPAs is the leading partner and influential voice for a thriving business environment.



To empower CPAs and related professionals to drive value as trusted business advisors by fostering professional excellence and integrity, building community and advocating for members and those they serve.





# accounting & auditing

## Preparing for new not-for-profit financial reporting

By Laura Hay, CPA, CAE



As firms and not-for-profit (NFP) entities begin preparation to implement new financial reporting requirements, Ohio CPAs weigh in on some of the most significant upcoming changes.

The FASB Accounting Standards Update to Topic 958, *Presentation of Financial Statements of Not-for-Profit Entities*, is effective for annual financial statements issued for fiscal years beginning after Dec. 15, 2017, and for interim periods within fiscal years beginning after Dec. 15, 2018.

In response to stakeholder feedback, including comment from the OSCPA accounting and auditing committee, FASB stopped short of implementing an entirely new financial reporting model for NFPs and is implementing a two-

phased approach. Phase one focuses on improving the usefulness of how NFPs communicate information about financial performance and liquidity, while reducing cost and complexity.

Phase two will look at how measures of operations (or financial performance) in the statement of activities align with measures of operations in the statement of cash flows. This proposal has been deferred to be coordinated with related research on financial performance reporting by for-profit entities.

### Main provisions

Main provisions of the update include:

#### Net asset classification

Net asset classes are reduced from three to two: “net assets with donor restrictions” and “net assets without donor restrictions.” This change seeks to reduce complexities and confusion in determining whether donor-imposed restrictions are temporary or permanent.

Additional information will be required regarding the components of net asset classes, including internal board designations, and the nature, amounts and effects of donor-imposed restrictions, including limitations on their use or timeframe.

“NFPs that keep more detailed records of net asset classifications will be better

prepared for this change,” said Angela Lewis, CPA, managing director, Crowe Horwath LLP. “With any new standard, organizations want to get it right at the time of implementation and should take time to ensure that the source for classifications is clear.”

“While we keep detailed records of the sources of donor restrictions, we are revisiting classifications in preparation for the new standard,” said Barry Reis, CPA, CFO, Jewish Community Federation of Cleveland. “There are some subtleties, such as with donor-advised funds, that require a closer look than just adding together the two previous classifications.”

#### Functional expense reporting

All not-for-profits will now be required to provide an analysis of expenses by both function and natural classification, as well as disclosing the methods used to allocate expenses to functional categories.

“Not every NFP currently prepares this analysis for their 990,” said William Bauder, CPA, manager, Holbrook and Manter. “In addition to taking a fresh look at their system for allocating expenses, entities need to make sure their process can be audited. While time tracking might not be required for every organization, ‘20% feels right’ will no longer be sufficient.”

#### Liquidity disclosures

The standard requires quantitative and qualitative information about how an entity manages its liquid available resources and liquidity risks. Quantitative information is provided by segregating current and non-current assets and liabilities on the statement of financial position. Qualitative information will be provided in the footnotes regarding limitations on the use of liquid assets.

“This is an area I expect to be most challenging to implement,” Lewis said.

“NFPs are assessing the measures that are most relevant to their organizations and taking care in how they should be described for the use of internal and external stakeholders.”

#### Other key changes

Other key changes applauded by the CPAs included:

- Permitting organizations to choose between reporting cash flows using the direct method or indirect method, based upon which better serves information needs of users. Entities electing the direct method will no longer be required to include an indirect method reconciliation.
- Requiring investment income to be reported net of internal and external investment expenses, and eliminating the requirement to disclose the amount of netted investment expenses. This change removes the difficulty of accurately identifying imbedded

CELEBRATING

15  
YEARS

OF COST SEGREGATION

2002-2017

## ACCELERATE DEPRECIATION AND SHIELD INCOME TAXES NOW



- Cost Segregation
- Energy Efficiency Certifications (179D)
- New IRS Repair v. Capitalization

DUFFY D+D DUFFY  
**COST SEGREGATION**  
Engineering-based Cost Segregation Studies SERVICES, INC.

DUFFY D+D DUFFY  
**ENERGY TAX SAVINGS**

Call **Craig Miller** | Cleveland **440.892.3339** / Columbus **614.949.4185**  
Detroit **248.752.7433** / [www.costsegexperts.com](http://www.costsegexperts.com)

THE REGION'S LEADING INCOME TAX REDUCTION EXPERTS





costs and will improve consistency across organizations.

- Underwater donor-restricted endowment amounts will be reported in net assets with donor restrictions with expanded disclosures about the underwater portion, which was thought to be more intuitive for the user.

## Recommendations

### Prepare early

“Make sure management and the board are prepared in advance,” Lewis said. “You don’t want the first communication to be at the time the standard becomes effective.”

“Many NFPs rely heavily on the external auditor for assistance with financial statement preparation,” Bauder said.

“The client may need educated first on why the financial statements will look different, and what is the purpose of these disclosures, so that management decisions can be made that will affect future reporting.”

### Organize records

All of the CPAs strongly recommended that NFPs begin preparing now:

- Does the entity have good historical records of the sources of net asset classifications?
- Does the entity want to report functional expenses consistent with 990 reporting, is the organization comfortable with its processes for capturing expenses by function, and are allocation methods auditable?

## Evaluate liquidity disclosures

CPAs agreed that this would be the most difficult new requirement to implement, and recommended early evaluation of how the entity should structure its liquidity disclosures and what type of information will be needed.

## Outlook

“This standard will be an improvement for most NFP organizations, which have a leadership engaged in making strategic decisions regarding programs,” Reis said. “The new rules make more transparent to leaders and key donors funds available for unrestricted purposes and the nature of expenditures.”

Few expressed concerns about the cost of implementing the new rules. Members supported the phased approach, expressing concerns that phase two not create a reporting model for NFPs that differed conceptually from the for-profit model, leading to market confusion, cost and complexity.

*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](mailto:Lhay@ohiocpa.com) or 614.321.2241.*

# Your support helps grow tomorrow’s talent pool

Today’s students are tomorrow’s CPAs, financial business leaders, consultants and advisers who will spur Ohio’s future economy. But how will they know if a career in accounting is right for them?

The Ohio CPA Foundation creates opportunities for students to get an inside look at the profession, meet CPAs and explore exciting career paths.

Your tax-deductible gift moves more students toward accounting through programs like the ACAP-Ohio summer camp, Student Ambassadors, High School Accounting Career Days and the Accounting Careers Leadership Academy.



**Inspire today’s students to become the CPAs of tomorrow.**  
Learn more or make your gift online at [www.OhioCPAFoundation.org](http://www.OhioCPAFoundation.org).  
Your support makes a difference!

**TIMING MATTERS! Call or visit [www.APS.net](http://www.APS.net) for a free and confidential valuation of your practice.**

**CALL TODAY...  
Sell By  
Year End!**



**DELIVERING RESULTS - ONE PRACTICE AT A TIME**



**ACCOUNTING  
PRACTICE SALES**  
THE GLOBAL LEADER IN PRACTICE SALES

**Steve Weldon**  
[steve@APSmidwest.com](mailto:steve@APSmidwest.com)

**800-272-7355 x3**  
[www.APS.net](http://www.APS.net)

## FAST FACTS

1. FASB stopped short of implementing an entirely new financial reporting model for NFPs in the first phase, in favor of a two-phased approach.
2. Net asset classes are reduced from three to two: “net assets with donor restrictions” and “net assets without donor restrictions.”
3. All not-for-profits will be required to provide an analysis of expenses by both function and natural classification.
4. Prepare the management and the board in advance, including organizing records.





# Recent changes to the R&D tax credit provide improved incentives for businesses

By Michael Krajcer, JD, CPA

## PATH Act Provisions to offset AMT and Payroll Tax

Signed into law on Dec. 18, 2015, the PATH Act made the federal R&D credit permanent and added two significant provisions. For tax years starting after Dec. 31, 2015, taxpayers may be eligible to offset AMT and payroll taxes using the research credit.

### AMT offset

Historically, AMT has served as a limitation barring many small and medium-size businesses from benefiting from the research credit, since prior law prohibited the use of the credit to decrease tax liability below AMT levels. For instance, even if a business was conducting credit-eligible activity and calculating a credit on its tax return, the company would not be able to utilize the credit against its full tax liability if it was subject to AMT. Hence, many businesses found it difficult to justify the

work involved in calculating the credit when only a portion, if any, of that credit would be available for their immediate use.

Going forward, the research credit may now offset both regular tax liability and AMT liabilities for taxable years beginning on or after Jan. 1, 2016. Key components of the provision are:

- Applicable to taxable years beginning after Dec. 31, 2015.
- The business (and if a flow-through entity, its partners or shareholders) must have less than \$50 million in average gross receipts for the three preceding years.
- Only credits earned after Dec. 31, 2015, apply to the provision (i.e., carryover credits from earlier tax periods will not be allowed to offset AMT).

Thus for those taxpayers who meet the gross receipts test noted above, AMT liability may now be reduced utilizing research credits. This will be an important reason for businesses to consider or reconsider the research credit opportunity in the future. With the opportunity to secure current cash-flow benefit of the credit, (i.e. as opposed to counting on future benefit during the credit's 20-year carryover period), taxpayers suffering from the effects of AMT finally have something to cheer about.

### Payroll Tax offset

Prior to 2016, for a taxpayer to benefit from the R&D credit, they had to have a tax liability. Today, the research credit may now be utilized to reduce a portion of a qualifying small businesses payroll taxes, thus affording those without an income tax liability a means to benefit currently from the credit. Without this provision, the only other option was to wait for the business to incur an income tax liability during the 20-year carryover period of the credit. Key components of the provision are:

- Applicable to taxable years beginning after Dec. 31, 2015.
- A qualified small business is defined, with respect to any taxable year, as a corporation (including an S corporation) or partnership (1) with gross receipts of less than \$5 million for the taxable year, and (2) that did not have gross receipts for any taxable year before the five taxable year period ending with the taxable year.

- Offset limit is up to \$250,000 in credit against employer OASDI liability (the employer portion of tax equal to 6.2% of all wages).
- The payroll tax credit portion is the least of (1) an amount specified by the taxpayer that does not exceed \$250,000, (2) the research credit determined for the taxable year, or (3) in the case of a qualified small business other than a partnership or S corporation, the amount of the business credit carryforward under section 39 from the taxable year (determined before the application of this provision to the taxable year).
- A taxpayer may make an annual election under this section, specifying the amount of its research credit not to exceed \$250,000 that may be used as a payroll tax credit, on or before the due date (including extensions) of its originally filed return. A taxpayer may not make an election for a taxable year if it has made such an election for five or more preceding taxable years.
- The payroll tax portion of the research credit is allowed as a credit against the qualified small business's OASDI tax liability for the first calendar quarter beginning after the date on which the qualified small business files its income tax or information return for the taxable year. The credit may not exceed the OASDI tax liability for a calendar quarter on the wages paid with respect to all employees of the qualified small business.
- If the payroll tax portion of the credit exceeds the qualified small business's OASDI tax liability for a calendar quarter, the excess is allowed as a credit against the OASDI liability for the following calendar quarter.

Providing startups with the opportunity to offset payroll taxes with the research credit will allow these businesses to conserve cash in the years that are most critical to their success. That's good news for them and for our economy, since every dollar that remains in the hands of these growing startups helps drive further innovation and job creation.

Here's an example of application of the provision: A software company started in 2012 has conducted qualifying R&D activity in all the years of its existence. Related Qualifying Research Expenses (QRE) are made up of wages paid to its employees. A summary of pertinent financial data is in Table 1.

Tax period	2012	2013	2014	2015	2016
Gross receipts	\$50,000	\$150,000	\$500,000	\$750,000	\$1,000,000
Wages	\$100,000	\$200,000	\$400,000	\$500,000	\$600,000
Wage QRE	\$50,000	\$100,000	\$200,000	\$250,000	\$300,000
R&D credit					\$18,958

Table 1



2017 Tax Year	Q1	Q2	Q3	Q4	TOTAL
Wages	\$150,000	\$150,000	\$150,000	\$150,000	\$600,000
Employer portion of OASDI (6.2%)	\$9,300	\$9,300	\$9,300	\$9,300	\$37,200
Eligible offset to elect		\$9,300	\$9,300	\$358	\$18,958

Table 2

Assuming \$600,000 in total wages paid, annual OASDI tax liability owed by the software company would be \$37,200. With \$300,000 in QREs, the software company would be eligible for an R&D tax credit in the amount of \$18,958.

Assuming the company files its 2016 federal income tax return on March 15, 2017 (the first quarter of 2017), the eligible payroll offset election would be as follows in Table 2.

Please note that the eligible payroll tax amount to offset is calculated using ALL employee wages, not just the QRE wage amount.

In 2017, this taxpayer would not be allowed to elect to offset payroll tax with IRC Section 41 research credits, since it has gross receipts in five prior tax years. This is a specific exclusion in the new provision, intended to limit the benefit to start-up companies only.



## Final IRS Regulations for IUS

While the R&D tax credit is intended to be a broadly applicable incentive, Congress had historically taken the position that software developed for internal use (called “internal use software” or IUS) should be subject to a higher standard of credit eligibility. Hence, under IRC section 41 and applicable U.S. Treasury regulations, businesses developing IUS have been required to meet three additional stringent tests to qualify for the credit.

Many taxpayers investing in IUS could not meet these three tests as interpreted by the IRS, and hence have not been able to claim this credit for their software development efforts. Taxpayers have long approached the Treasury with concerns that the applicability of these three additional requirements is too broad in scope and the IRS’s interpretation of each requirement has been overly aggressive.

Finally, after nearly 20 years of intense controversy and substantial debate, on Oct. 4, 2016, the Treasury published final regulations related to IUS development under Internal Revenue Code Section 41 regarding to the research credit. Key components of the provision are:

- Definition of IUS: The regulations provide a list of general and administrative functions, intended to target the back-office functions that most taxpayers would have regardless of the taxpayer’s industry, and that the characterization of a function as back office will vary depending on the facts and circumstances of the taxpayer.
- Definition of Non-IUS: Added to the existing definition, software that is developed to enable a taxpayer to interact with third parties or to allow third parties to initiate functions or review data on the taxpayer’s system.
- Treatment of dual-function software: Provided rules on how to treat software that has both IUS and non-IUS characteristics, including a safe harbor rule.
- Taxpayers may utilize the new regulations solely on a prospective basis, starting with the tax year beginning on or after Oct. 4, 2016. Or second, for any taxable year that both ends on or after Jan. 20, 2015, and begins before Oct. 4, 2016, the IRS will not challenge return positions consistent with all the provisions of the final regulations.

The final IRS regulations for IUS and Non-IUS are further defined below:

## What is IUS?

In 2015, proposed IUS regulations defined software developed for internal use to be computer software developed by (or for the benefit of) the taxpayer, primarily for the taxpayer’s use in general and for administrative functions that facilitate or support the conduct of the taxpayer’s trade or business. General and administrative functions, as defined in the proposed regulations, are limited to (1) financial management functions, (2) human resource management functions and (3) support services functions. Final regulations did not alter this list of functions or the more detailed list of services that the proposed regulations listed as examples of each.

However, the final regulations again noted that the list of general and administrative functions is intended to target the back-office functions that most taxpayers would have regardless of the taxpayer’s industry, and that the characterization of a function as back office will vary depending on the facts and circumstances of the taxpayer. In addition, the final regulations clarified that the determination of whether software is developed primarily for internal use depends on the intent of the taxpayer and the facts and circumstances at the beginning of software development.

## What isn't IUS?

Although not substantively changing the definition, final regulations clarified that software is not developed primarily for the taxpayer’s internal use if it is not developed for use in general and for administrative functions that facilitate or support the conduct of the taxpayer’s trade or business; and examples of software that are not regarded as IUS includes (1) software that is developed to be commercially sold, leased, licensed or otherwise marketed to third parties and (2) software that is developed to enable a taxpayer to interact with third parties or to allow third parties to initiate functions or review data on the taxpayer’s system.

## What if it's both?

The final regulations maintain the presumption of internal use, when both IUS and non-IUS software are being developed as part of an integrated system. Referred to as “dual function” software in the regulations, taxpayers will have the burden of proof to overcome the presumption of internal use for the non-IUS portion of the integrated functions of the software. However, to the extent that the taxpayer can identify a subset of the dual function computer software which is only non-IUS, then for that subset of the software development the presumption of internal use does not apply. After identifying non-IUS subsets of the software system, there may still exist dual function software. The IRS had provided a safe harbor approach to dealing with this dual function software. In the final

# Earn your tax season swagger

Operate with confidence by getting current with state and federal tax changes and other key developments at the **2017 Mega Tax Conference**.

**REGISTER TODAY** at [ohiocpa.com/MEGATax17](http://ohiocpa.com/MEGATax17)

## Mega Tax Conference

Dec. 11-12, 2017

Nationwide Hotel & Conference Center

In Person Product #50740

Webcast Product #51052





regulations, the proposed regulations safe harbor rules were retained and favorably revised to be more industry specific.

The safe harbor rules for dual function software allow the taxpayer to include 25% of the qualified research expenditures of the remaining dual function subset in computing the amount of the taxpayer's credit. However, the taxpayer must be able to substantiate that the use of the dual function subset by third parties or by the taxpayer to interact with third parties is reasonably anticipated to constitute at least 10% of the dual function subset's use and that the taxpayer's research

activities related to the dual function subset constitute qualified research. The final regulations contain a taxpayer favorable change in this section, providing that any objective, reasonable method within the taxpayer's industry may be used for purposes of the safe harbor.

*Michael Krajcer is the President of Tax Credits Group, a Cleveland-based R&D tax credit consulting firm. He has more than 25 years of experience in research tax credit consulting and related IRS/state tax controversy resolution. He may be contacted at [michael@taxcreditsgroup.com](mailto:michael@taxcreditsgroup.com).*

## FAST FACTS

1. The federal R&D tax credit is now permanent, and a permanent annual credit provides taxpayers with an opportunity to properly plan and budget for future R&D initiatives.
2. Legislation changes also brought forth two new opportunities for certain eligible small businesses to offset payroll and Alternative Minimum Taxes (AMT), in addition to or in lieu of income tax.
3. Many small businesses who found themselves in AMT were unable to benefit from the research credit. Today, these same small businesses now have opportunity to alleviate this tax burden.
4. The new payroll tax offset provision allows cash-strapped startups to immediately benefit from tax savings in the years where they need it most.
5. New Treasury Regulations broaden the definition of internal use software (IUS), making it easier for businesses investing in this area to claim this incentive.
6. Final regulations continue a recent line of "pro-taxpayer" legislation, regulation and court rulings relating to the research credit, which will allow for the expanded utilization of this incentive and reduce the controversy that has historically plagued taxpayers who have claimed it.

# BRIGHT IDEAS

powerful solutions | glowing results

begin with **compmanagement**

Contact us today to brighten up your workers' compensation savings potential!

800.825.6755 | [www.compmtgt.com](http://www.compmtgt.com)



## BUSINESS & INDUSTRY



How to handle a  
**PUBLIC RELATIONS**  
crisis and preserve your company's reputation

By Jessica Salerno, OSCP content manager





It's a professional nightmare scenario. Your company has been publicly embarrassed in a way you hoped would never happen. And on top of that, the issue is public. Everyone knows, or thinks they know, what happened.

Avoid the urge to bury your head in the sand, said Hinda Mitchell, president of Inspire PR Group, because refusing to admit to the crisis won't make other people will forget.

**“Not responding is the biggest mistake you can make because then you set the tone for someone else to define you in the crisis.”** Hinda Mitchell

As CFOs branch outside of “traditional” financial areas in their organization, understanding how to handle a public crisis is an important, if unfortunate, part of leadership. The ability to address and resolve an error made publicly could affect the company's perception for years to come.

### Steps to take during a crisis

“One of the overarching rules you should follow is to keep people looking at you,” Mitchell said. She said it's crucial to establish that it's your organization the media and reporters need to contact for the most correct, recent information.

Take stock of the situation as best you can, and then Mitchell said to issue a public statement. Even if you don't know all the details yet, she said people will be clamoring for information, and putting out a statement establishes that you're aware of the issue and assessing the situation.

Next, it's time to eat humble pie.

“Even if you don't have a lot of detail, it's okay to come out and say ‘We're aware this happened, we're sorry and we're looking into it,’” Mitchell said. “People want to hear a good old fashioned apology.”

Getting a statement out early on solidifies your position as the go-to in the

aftermath of what happened. Of course, be careful with your wording, and check with your lawyers to make sure your statement doesn't admit guilt.

“Be frequent and transparent in how you communicate,” she said. “It's really important you continue to maintain control of the conversation about your company.”

Next, inform the public that you're conducting your own review or investigation into what happened.

“Another part of crisis response is reassurance,” Mitchell said.

An error was made, and now it's important to make sure it doesn't happen again. Let the public know after your investigation how you will develop a process to avoid this in the future.

### Stakeholders vs. public perception

“We tend to respond with social media or traditional media first. And it doesn't

mean you can't or shouldn't deal with those, but you can't only deal with those,” Mitchell said. “There are a lot of other stakeholders in a crisis, and that's another really important thing that people tend to forget.”

Other stakeholders could be shareholders, regulators, board members, employees or even the SEC. Of course, it depends on what happened as to who exactly are the most important stakeholders.

### Social media's role

**“Social media is one of the best and worst things to happen in crisis response.”**

Hinda Mitchell

It can work in your favor because it gives you the chance to easily and quickly communicate a lot of information in a short amount of time through your own platform.

“But if you want to leverage social media you need to build up your following,” Mitchell said. “Build up followers and engage with them so they know to come to you. Don't start a Twitter account because there's a crisis, because no one will be there to see your information.”

On the flip side, video cameras on cell phones have led to numerous public crises breaking on social media, she said. Mitchell suggested you have someone monitoring social chatter to keep an eye on what's being shared. If there is a common theme of misinformation, it's up to you to correct it.

### When to admit fault

Apologizing for something that occurred in error is a lot different than taking full responsibility for what happened.

“While you're doing the review and trying to figure out responsibility, start by condemning the act and not the actor,” Mitchell said.

After learning more about what happened it might come out that there are other outside parties at fault, or you could end up being directly responsible. You want to avoid a scenario where you spoke too early or have to backtrack, which is why it's important to wait before fully accepting all the fault. Mitchell said it's also crucial to understand the liability implications for all parties.

This is also wise to remember when the public is asking for someone to be fired.

“A crisis typically has three players: you've got victims, villains and a superhero. Often there will be calls for the villain to be taken down,” Mitchell said. “That decision needs to be made on a case-by-case basis.”

If you've communicated appropriately that pending an investigation you will take whatever disciplinary actions are appropriate, that's enough until you have all the facts. You don't want to make a hasty decision you'll regret later.

“At the end of the day you want to look back and say we followed our process the way we were supposed to,” she said. “And that includes personnel. You can't shift and react to external forces if it's not consistent with what you've done as a company.”

### Preparation beforehand

Unfortunately, even a well-prepared professional can face a public crisis at some point. Although you might not always be able to predict exactly what it will be, Mitchell said you can prepare for “high likelihood-high impact scenarios.”

Prepare your messaging for various scenarios to avoid getting caught unprepared. Figure out who needs to be on the crisis team, who will be the spokesperson and who you will need to contact if something occurs.

“The cycle really ends when you've gone full circle and have the opportunity to work at restoring confidence and trust from stakeholders,” Mitchell said. “Managing the crisis well can get you the most quickly back to that point of trust and confidence.”

## FAST FACTS

1. Not responding is the worst mistake you can make in a public crisis.
2. You want to ensure people will look to you for the facts on what happened rather than other outlets.
3. Although the public is important, remember to prioritize your stakeholders in the situation: the people or organizations who are truly affected by what has happened.
4. Prepare beforehand by mapping out potential high-likelihood high-impact scenarios.





## 6 risk management mistakes CPA firms make

By Tim Huggins

Managing CPA liability risk exposures is a complex process, and it's easy to underestimate the potential for risk along the way. You can avoid the following six mistakes by being aware and taking the right steps.

### 1. Not discussing questions about the insurance application with your underwriter or agent.

Whether it's for a new or renewal policy, the better the job you do with the application, the better your chances of avoiding mistakes and problems. Take time to review the questions and determine what information and data you will need for it. State the information accurately. Applications are not opportunities to market or embellish your firm's profile. Misstatements may result in a higher premium or even the rescission of a policy based on wrong information. Some companies encourage

CPAs to call their underwriters or agents with questions about the application and the information requested. A phone call is an easy way to correct errors before they occur.

### 2. Not having appropriate policy limits for your firm profile.

Excessively high limits of insurance offered at bargain prices are red flags. High limits will often put a bigger bullseye on your firm and potentially lengthen the claims process. However, you also need to carry enough limit to be able to protect yourself in the event of a bad claim or to fight a frivolous claim. A specialized underwriter, agent or account executive

can discuss your firm's specific risk exposures, policy limits and coverage options. Each accounting practice is unique—tax specialists have exposures that are different from those of auditors. An underwriter or agent experienced in CPA firms will work with you to create a

policy that addresses your specific risk areas, with the appropriate limits and cost structure.

### 3. Admitting liability, assuming damages, voluntarily making any payments, or incurring claims expenses.

These are all actions a CPA firm must avoid without the prior written consent of the insurance company. Such actions likely will violate policy conditions, which may result in a denial of coverage. Policyholders should not take action without first receiving guidance from a risk adviser with the insurance company. Avoid agreements that include “hold harmless” or indemnification provisions that are one-sided and not in the firm's favor. Firms that go along with clients in attempting to handle a problem internally without reporting it are sometimes surprised to find out later that the problem is much larger than it appeared. If the problem was not reported in accordance with the policy, the damages might not be covered.

### 4. Not reporting a potential claim as early as possible.

The sooner claims and potential claims are reported, the more effective an insurer can be at achieving an early

resolution. Early reporting also will help assure coverage for the potential claim. Some insurers encourage the early reporting of claims by reducing the deductible for any potential claim that is reported before a claim is made. Further, if it is determined that it is appropriate to retain legal counsel to help with a pre-claim situation, some insurers will absorb the legal expenses, help policyholders achieve a resolution with the client, prepare a tax penalty abatement request, draft talking points for communicating the facts of the situation with the client, and provide subpoena and other services if the need arises.

CPAs often are so busy that they don't recognize or acknowledge a potential claim as it is developing. This can be particularly devastating when the damages claimed are significant, and not covered because of late reporting. It's important for CPAs to pay attention to potential issues and to report to their carriers as soon as they think there may be a problem. Also new for CPA firms is “continuity of coverage,” which permits much later reporting by a CPA firm that has renewed consistently with the carrier, even if the firm knew of a potential claim but did not report it until the client makes an actual claim months or even years later.



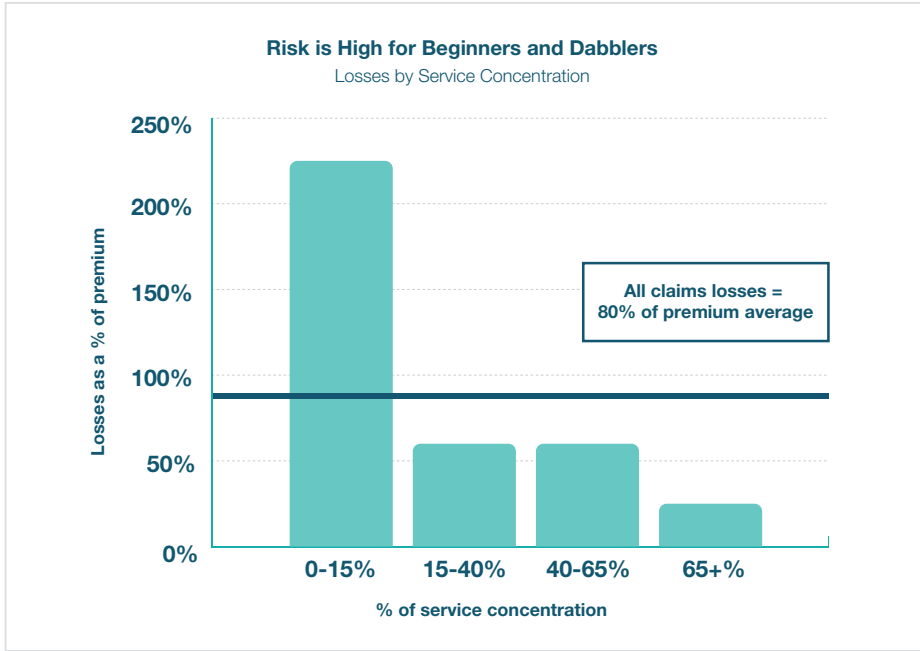


5. Not using the insurance program's advisory, loss prevention, and risk management services.

The best way to avoid a claim is to manage the risks that lead to claims. Some of the basic risk management tools, such as client screening, engagement letters and follow-up documentation are crucial in managing potentially major problems into minor problems. The more tools and resources an insurance program provides its policyholders, the better those policyholders will be at avoiding or minimizing problems and disputes. A good insurance program will also advise you on how to utilize its resources to help your firm improve its practices. You can also get a good feel for a company's service and attitude toward its policyholders by using its services. If you are interested in a good partnership with your company, the company should do its best to help you minimize your losses and control your premiums.

6. "Dabbling" in high-risk work without doing enough to stay proficient at it.

Claims data show high loss ratios for services that comprise less than 15% of a firm's work. By the same token, loss ratios are low for services that comprise 65% or more of a firm's work. See chart.



Also, part of the client screening process includes making sure that the engagement is a good fit for the firm's expertise. Proficiency in any type of engagement includes the ability to identify risk stress points in the engagement. CPAs are expected to possess a thorough understanding of the client's business and industry to identify those stress points. Establish a policy for what types of engagements the firm will avoid because of a lack of technical expertise. Some firms will write a description of the engagements they accept and the way they conduct business and perform services, including steps for controlling liability exposures (such as engagement letters and other forms of documentation).

The CPA firm should always feel comfortable about contacting its liability carrier and asking questions about any matters, regardless of how small they might appear to be. If the company is committed to providing good services and helping CPAs solve problems, you will discover this just by reaching out with an email or phone call.

*Tim Huggins is manager of underwriting operations with CAMICO (www.camico.com), responsible for underwriters and underwriting department activities. He joined CAMICO in 1998 and was promoted to senior underwriter in 2005, responsible for CAMICO's largest direct accounts.*

FAST FACTS

- 1. Managing CPA liability risk exposures is a complex process, and CPAs shouldn't underestimate the potential for risk in their career.
- 2. It's a mistake to not discuss questions about the insurance application with your underwriter or not have appropriate policy limits for your firm profile.
- 3. Policyholders should not take action without first receiving guidance from a risk adviser in admitting liability, assuming damages, etc.
- 4. Report a claim as early as possible.
- 5. Use the insurance program's risk management services and avoid dabbling in high-risk work without staying proficient in it.

Make business-building connections

Attend an OSCPA networking event

Networking isn't just about putting yourself out there and passing out business cards. It's about making social connections to help you grow personally and professionally.

DATE	EVENT	LOCATION	ID #
Oct. 19	Columbus Women's Initiatives – The Women's Fund	Columbus	50974
Oct. 25	Cincinnati Women's Initiatives – Wine Tasting	Cincinnati	51245
Dec. 7	YCPA Connect! Wine Tasting	Cleveland	51244

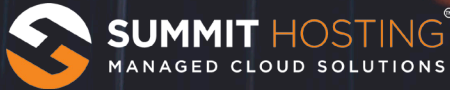


To register, visit [store.ohiocpa.com](https://store.ohiocpa.com) or call Member Services at 800.686.2727



Tuesday, December 5

ID #51170  
Mix and mingle with local professionals from the Coumbus YCPAs, Columbus Bar Association and Institute of Internal Auditors.



CLOUD HOSTING SIMPLIFIED

Dedicated Servers. Lower Costs. Zero Stress.  
We customize Sage and QuickBooks hosting for you.





## 2016-2017 Annual Report



### Dear Donors and Friends,

Today, the CPA profession is more about people than it's ever been. It's about relationships that are built on people serving people and the organizations that employ them. And as opportunities in this profession continue to grow, the need for people – for talent – grows. This is a real and critical issue for the profession. It's an issue I am personally passionate about. And it's why I serve as chair of The Ohio CPA Foundation.

The Ohio CPA Foundation is helping meet the talent needs of the profession by funding programs and events that attract the best and brightest individuals to careers in accounting.

This past year, the Foundation, in partnership with The Ohio Society of CPAs, focused its efforts on changing the way students think about accounting. We want students to know that with a degree in accounting and with the CPA license, they can take their career in any direction they choose. This profession is about opportunity, and the Foundation is helping more students see just how much opportunity is waiting for them.

From high school through college, Foundation programs reach students as they are making some of the most important decisions of their lives. At in-person events, through social media, and by connecting with parents and teachers, the Foundation is ensuring that students around the state and from all backgrounds have the opportunity to envision their future in accounting.

We couldn't accomplish so much without the support and generosity of our valued donors and volunteers. This past year, 155 *new* donors stepped up to support the Foundation; our donor retention rate was 65% - well above the industry average; and more than 100 individuals served as program and committee volunteers. I extend my heartfelt thanks to each of you!

With our loyal donors and volunteers, and the dedicated staff who carry out the Foundation's mission, The Ohio CPA Foundation has never had more momentum. Thank you for being part of our success.

Sincerely,



**Dave Brockman, CPA**  
**Chair of the Board of Trustees**  
**The Ohio CPA Foundation**

## Ensuring tomorrow's talent pool

The Ohio CPA Foundation funds programs that attract more candidates to the CPA profession, giving students a look into the world of accounting and connecting them with CPAs who are building rewarding careers in a wide variety of disciplines and sectors.

In addition to award-winning programs like the Accounting Careers Awareness Program (ACAP-Ohio) which celebrated its 22<sup>nd</sup> year in 2017, and the Student Ambassador Program which has been operating on college campuses since 2001, the Foundation is reaching a larger and more diverse pool of students to strengthen Ohio's CPA workforce.

This past year, the Foundation, in partnership with The Ohio Society of CPAs, introduced the new CPA STRIVE Initiative. And the Accounting Careers Leadership Academy (ACLA) hosted its third annual conference for accounting majors from throughout the state.

Foundation donors and volunteers make all of these important initiatives possible.

## Year in review



### ACCOUNTING CAREERS AWARENESS PROGRAM (ACAP-OHIO)

*Coaching high school students on how to reach their full potential.*

More than 40 high school students gathered at The Ohio State University's Fisher College of Business in June to participate in the week-long ACAP-Ohio summer camp. With an average GPA of 3.9 and representing a variety of racial and ethnic groups, this bright class of students had the opportunity to explore careers in accounting and business while getting a taste of college life.

### ACCOUNTING CAREERS LEADERSHIP ACADEMY (ACLA)

*Setting college students up for success as they transition into their careers.*

This exciting professional development opportunity helps college students prepare for a successful future in accounting and business. This past May, nearly 40 participants heard from leaders in the profession and met with recruiters from major employers over a two-day period. The program taught leadership skills, the value of the CPA credential and topics related to diversity and inclusion.





ASPIRE

Helping community college students envision their future in the CPA profession.

Designed for students attending community colleges and two-year institutions, ASPIRE helps students navigate the pathway from their associates degree to the next level of their education and future career. ASPIRE brings CPAs face to face with students to inspire them to pursue the CPA credential. In 2017, ASPIRE hosted its largest program at Cuyahoga Community College with nearly 70 students in attendance.

COLLEGE SCHOLARSHIP PROGRAM

Helping students fund an accounting education.

The Ohio CPA Foundation helps ease the financial burden of earning an accounting degree through a generous scholarship program. In the 2016-2017 fiscal year, the Foundation awarded \$58,000 in scholarships to 29 students.

CPA STRIVE INITIATIVE

Recruiting and retaining students in the CPA pipeline.

The new CPA STRIVE Initiative is a comprehensive approach to the recruitment and retention of underrepresented students in the accounting profession. STRIVE – Success Through Retention, Inclusion, Visibility and Engagement – captures the purpose of the unique programs and opportunities within the initiative. This umbrella program seeks to diversify talent in the accounting careers pipeline through continuous engagement at multiple points on a student’s pathway to the profession.

HIGH SCHOOL ACCOUNTING CAREER DAYS

Inspiring high school students to choose accounting as the foundation for their career.

In 2016-2017, more than 650 students gathered on college campuses to participate in High School Accounting Career Days hosted throughout the state. These half-day events introduce students to the accounting major and CPA credential by giving them the opportunity to interact with local CPAs, accounting majors and faculty.

STUDENT AMBASSADOR PROGRAM

Promoting accounting and the CPA credential on 18 college campuses.

The Student Ambassador Program employs the best and brightest accounting majors to recruit the best and brightest to the profession. The ambassadors, who are upper-class accounting majors committed to earning the CPA license, plan activities and host events that help undecided students see the benefits of majoring in accounting. In 2016-2017, Baldwin Wallace University joined the program bringing the Student Ambassadors’ reach to 18 campuses around the state.



"At ACAP-Ohio, I was able to network and learn from accounting professionals. I see them as role models now. Along with meeting new friends, I learned business skills to help me be the best possible person I can be."

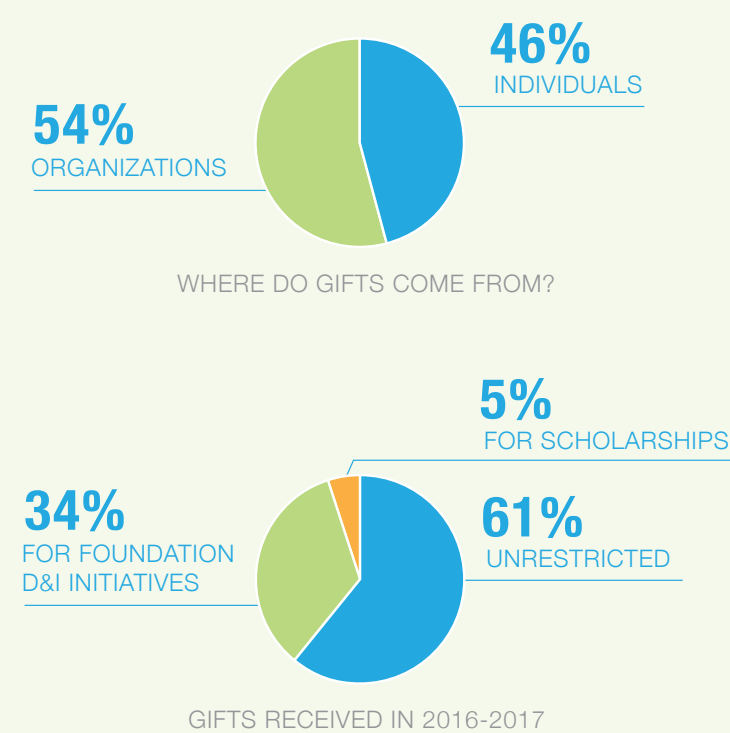
ALISA B.,  
ACAP-OHIO 2017



Thank you,  
FOUNDATION DONORS!

We are grateful for the many individuals, businesses and organizations that support the important work of The Ohio CPA Foundation. To see a list of donors, please visit [www.ohiocpafoundation.org](http://www.ohiocpafoundation.org) and click on Our Donors. Also, look for a special donor recognition publication in *CPA Voice* in early 2018 that will recognize all of our 2017 Annual Fund Campaign donors. Together, we are making a difference!

By the numbers



In 2016-2017, 12 new firm and corporate donors supported the Foundation and 143 new individual donors gave to the Foundation.



The charter class of the **1956 Legacy Society** includes 10 individuals who listed The Ohio CPA Foundation in their will or estate plans.

What donors have to say

"**Meeting the bright, future stars** of tomorrow in our profession is truly an honor, and it's quite fun letting them know all of the highlights on this career."

"I donate to the Foundation in hopes of **helping students** want to become CPAs."

"The donor breakfast before a CPE day and **hearing from the students** was great. I saw how my donation was making a difference."

"It's nice to have a donor breakfast [to connect donors and students.] Even if I have been a small donor, it **encourages me to donate more.**"



The 2016-2017 Ohio CPA Foundation  
Board of Trustees

<b>CHAIR OF THE BOARD</b> <b>David A. Brockman, CPA</b> Sikich LLP Akron	<b>Teresa S. Haught, CPA</b> ArtsWave Cincinnati
<b>TREASURER</b> <b>Russell J. Meyer, CPA</b> White Castle Management Co. Columbus	<b>Christopher O. Igodan, Jr., CPA</b> Nationwide Insurance Columbus
<b>TRUSTEES</b> <b>Donald K. Anthony, Jr.</b> Warrior Group, Inc. Columbus	<b>Ebonie Jackson, CPA</b> Lucas County Children Services Toledo
<b>Chris J. Barrett, CPA</b> Crowe Horwath, LLC Columbus	<b>Jacob Nix, CPA</b> EY Cleveland
<b>Janice L. Culver, CPA</b> Harlow & Ohmer, LLC Dayton	<b>Candice DeClark Peace, CPA</b> Clark Schaefer Hackett & Co. Dayton
<b>Paul A. Davison, CPA</b> BDO USA, LLP Columbus	<b>Press C. Southworth III</b> Jazz Arts Group Columbus
<b>Robert F. Fay, CPA</b> Canton	<b>EXECUTIVE DIRECTOR</b> <b>Karen J. West, CAE</b> Columbus
	<b>PRESIDENT</b> <b>Scott D. Wiley, CAE</b> The Ohio Society of CPAs Columbus



Investing in the Future

THE OHIO CPA FOUNDATION  
STATEMENT OF ACTIVITIES

Year Ended April 30, 2017  
(With Comparative Totals for April 30, 2016)

	2017 Total	2016 Total
<b>REVENUE</b>		
Donated services	304,000	351,000
Contributions	258,000	307,000
Investment income (loss), net	25,000	(10,000)
Total revenue	587,000	648,000
<b>EXPENSES</b>		
Donated services	304,000	351,000
Accounting Careers Awareness Program	116,000	63,000
Scholarships	58,000	61,000
Student ambassadors	56,000	54,000
Fundraising	38,000	43,000
General and administrative	33,000	20,000
FETCH!®	14,000	17,000
Diversity and Inclusion	12,000	-
Total expenses	631,000	609,000
Increase (decrease) from operating activity	(44,000)	39,000
<b>NON-OPERATING ACTIVITY</b>		
Contributions	2,000	1,000
Investment income (loss), net	309,000	(74,000)
Released from restrictions - Centennial Campaign	-	-
Increase (decrease) from non-operating activity	311,000	(73,000)
<b>CHANGE IN NET ASSETS</b>	267,000	(34,000)
<b>NET ASSETS - BEGINNING OF YEAR</b>	3,212,000	3,246,000
<b>NET ASSETS - END OF YEAR</b>	\$3,479,000	\$3,212,000

THE OHIO CPA FOUNDATION  
STATEMENT OF FINANCIAL POSITION

Year Ended April 30, 2017  
(With Comparative Totals for April 30, 2016)

	2017	2016
<b>ASSETS</b>		
Cash and cash equivalents	\$ 76,000	\$ 152,000
Pledges receivable, net	129,000	138,000
Accounts receivable, the Society	505,000	232,000
Investments	3,310,000	2,971,000
Total assets	\$ 4,020,000	\$ 3,493,000
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Scholarships payable	\$ 56,000	\$ 58,000
Accounts payable - the Society	485,000	223,000
Total liabilities	541,000	281,000
<b>NET ASSETS</b>		
Unrestricted	\$ 295,000	\$ 252,000
Temporarily restricted	623,000	556,000
Permanently restricted	2,561,000	2,404,000
Total net assets	\$ 3,479,000	\$ 3,212,000
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 4,020,000	\$ 3,493,000

The accompanying condensed financial statements are derived from the Foundation's audited financial statements, which received an unmodified opinion from Maloney + Novotny LLC. A complete copy of these financial statements is available by contacting CPANswers at 888.959.1212, or by email at [cpanswers@ohiocpa.com](mailto:cpanswers@ohiocpa.com).

WHAT'S BETTER THAN COVERAGE  
AGAINST CYBER ATTACKS AND  
DATA BREACHES?



KNOWING HOW TO MINIMIZE THE RISKS.

Your clients trust you to **keep their confidential data safe**. At CAMICO®, we know the risks because we're CPAs ourselves. That's why we introduced CyberCPA<sup>SM</sup> as part of our **CPA Professional Liability Insurance** coverage. You're not only protected in the event of an attack or breach, you also have access to risk management tools and resources to help minimize the risks. Including breach response services such as client notification, credit monitoring and identity theft assistance. Protecting CPAs—that's been the CAMICO tradition for more than 30 years.

What every CPA needs  
to know about cyber security.

How to safeguard information,  
increase awareness of cyber risk,  
and protect your clients.  
[www.camico.com/cyber-cpa](http://www.camico.com/cyber-cpa)



**CAMICO**

Accountants Professional Liability Insurance may be underwritten by CAMICO Mutual Insurance Company or through CAMICO Insurance Services by one or more insurance company subsidiaries of W. R. Berkley Corporation. Not all products and services are available in every jurisdiction, and the precise coverage afforded by any insurer is subject to the actual terms and conditions of the policies as issued.

© CAMICO Services, Inc., dba CAMICO Insurance Services. All Rights Reserved.

**CAMICO**  
Rachel Painter, AINS  
Senior Account Executive

T: 800.652.1772 Ext. 6773  
E: [rpainter@camico.com](mailto:rpainter@camico.com)  
W: [www.camico.com](http://www.camico.com)



# Career Center

## feature



## 2017 hiring process: A full-court press

By Elizabeth Kalakuntla

According to the statistics provided by the U.S. Department of Labor, the unemployment rate in Columbus in May 2017 was 3.7%. The trend of a low unemployment rate in recent years proves that employers need to have their game face on and tailor hiring processes to the candidate-driven market.

In basketball, a full-court press is an aggressive defense tactic that involves players guarding the opposing team over the entire length of the court. This is no different than putting in a huge effort to accomplish a common goal in the business world. It is essential employers call a full-court press to attract and retain top talent. It comes down to moving quickly, guarding against the competition and gaining the opportunity to take that game-winning shot!

If employers are not catering to the faster hiring processes needed to bring top talent into the major industries, their organization's talent level will suffer tremendously. According to LinkedIn statistics, 50% of companies take an average stretch of 1-2 months to hire talent. Even more disturbing, 17%

of companies are taking 3-4 months to complete the hiring process.

### The top advantages of a quick hiring process

Attracting and retaining top talent is the goal of every employer and to be an employer that candidates request to work for is an honor. It proves the employer has a strong reputation, people are speaking positively about the hiring process and other positive aspects of the organization are being recognized in the community. But top talent doesn't stay on the market for long. This is why the hiring process needs to be organized, streamlined and efficient. A process of this caliber means being the first to extend an offer, hire the candidate and retain incoming talent for years to come.

### 3 negative consequences of a slow hiring process

**Poor employer branding:** With the internet at people's fingertips, there is access to the good, the bad and the ugly of an organization. Per CareerArc, 72% of job seekers who have had a bad interviewing experience have shared it online or with someone else. Talk about poor employer branding! With that statistic in mind, it's time for employers to take note and make changes. Highly skilled candidates can afford to be picky and it's proven that a poor employer brand has rippling effects. A *Harvard Business Review* survey found nearly 50% of the individuals surveyed would not accept a job with a company with a negative reputation. And for those who think money is the key to happiness, a 10% raise would only tempt 28% of those individuals to join such a company.

**Loss of interest:** According to Robert Half, 46% of job seekers say they lose interest in a role if they have not heard back from a company within 1-2 weeks. This is the perfect way to miss out on top talent. Timing and communication is everything. While companies moving at a slower pace aren't able to keep a candidate, the companies moving at a quicker pace will have already extended an offer and received an acceptance from the same candidate. The competition in 2017 is real and it's undeniable that it comes down to the speed of the hiring process and the organization's ability to make important hiring decisions under a strict timeline.

**Bidding wars & unnecessary costs:** The last situation any two competitors want is a bidding war on behalf of one talented candidate. In many cases, a bidding war will force an organization to pay up to 25% more by the end of the hiring process for the same talent they could have locked down weeks in advance. Expediting the hiring process is necessary for organizations to save money and stay on budget.

### How to speed up the process

**Remove unnecessary interviews:** Candidates are run through the wringer when it comes to interviews. Usually, it begins with an initial phone screen, then an initial in-person interview, followed by one more panel interview and possibly yet another interview to finalize the process. This interview process is not only lengthy, but unnecessary. Glassdoor statistics show that on average, a phone interview will add roughly 8 days to a hiring process, in addition to a one-on-one and a panel interview each dragging out the hiring process another 5-6 days each. Although each step of the interview process is meant to create efficiency, it's creating the exact opposite. In recent studies conducted by Robert Half, 33% of job seekers say that delays to set up interviews were the most aggravating part of applying for jobs. So, what are the options?



A popular go-to is a Skype video call. It's personable, informative and convenient for both a candidate who is currently employed and a hiring manager who might have a busy travel schedule. According to Korn Ferry, 75% of companies say that a video is the best way to interview a candidate. Another way to speed up the process is by simply removing unnecessary interviews. If a phone screen is required, cut down on the on-site interviews. One on-site interview, if handled properly by the organization, should be plenty. Otherwise, the more drawn out the scheduling process is, the more likely top talent will drop out, forcing an organization to start their search over.

### About Dawson

Dawson, a family-owned staffing and recruitment agency, is celebrating 70 years establishing careers. Operating in Columbus since 1946, Dawson places professionals in temporary, temp-to-hire, and full-time jobs in the fields of administrative, call center, skilled trades, accounting & finance, creative, information technology, engineering, legal, and healthcare. The acquisition of Atrium Personnel in 2016 added administrative and light industrial staffing operations in Mount Vernon, Heath/Newark, and Strasburg/New Philadelphia. Dawson is committed to the community with strong philanthropic and volunteer initiatives and has been honored with multiple "Top Workplace" awards by Columbus CEO magazine and "Best of Business" awards from Columbus Business First. Learn more, or find your next job today at [dawsoncareers.com](http://dawsoncareers.com).

Dawson is a preferred partner with the OSCPAs. For additional information or to take advantage of your member benefit, contact Emily Costanzo, CSP at 614.255.1316 or [ecostanzo@dawsoncareers.com](mailto:ecostanzo@dawsoncareers.com). To view what we have to offer: <https://www.ohiocpa.com/membership/ways-to-save/affinity-partners/dawson>





As business owners increasingly demand proactive advice from their accounting firms, Sageworks provides ProfitCents and Sageworks Valuation Solution to help firms stay competitive, provide insight-driven advisory services and develop new revenue opportunities.

#### Benefits of ProfitCents

- Differentiate your firm with industry specific benchmarking KPIs to provide proactive advice
- Streamline audits & reviews with preliminary analytics and documented expected value calculations
- Acquire clients with easy-to-understand graphs, metrics and narrative reports that simplify complex financial information
- Save time with data integrations and process automation

#### Benefits of Sageworks Valuation Solution

- Save time while following the income, market and asset approaches to generate accurate, defensible valuations
- Reduce human error through consistent process and analysis
- Access valuations and client documents easily from any computer to provide high quality service
- Create customized client reports faster to increase realization rates at your firm

OSCPA members can save! Call **866-603-7029** or email **sales@sageworks.com** and mention that you are a member of OSCP to receive a 20% discount on both ProfitCents and Sageworks Valuation Solution.

OSCPA members can get reliable protection for all the things that matter to them, including exclusive discounts on select Nationwide products and services. When you purchase a policy through Nationwide, it helps support OSCP and the CPA profession.

We value your involvement and support of an organization that means so much to you – and to us. To show our appreciation, we are working with OSCP to offer you special discounts on insurance products that make sense for you.

We are a strong and stable company that values people above all else. Nationwide is a Fortune 100 company that's been providing On Your Side® service since 1925. Over the last 85 years, Nationwide has grown from a small mutual auto insurer owned by policyholders to one of the largest insurance and financial services companies in the world.

Call **866-633-5747** and mention that you are a member of OSCP to receive your exclusive discount on select Nationwide products.

# YOUR VOICE IS A POWERFUL FORCE



It's much stronger when multiplied by the power of **25,000**

Join your peers in making a difference.  
Invest in the future of the profession and Ohio today!

Ohio CPA/PAC is a vital way you can help:

- **Elect state legislators who share your professional interests**  
*In 2016, 97.4% of OSCP endorsed candidates were successfully elected.*
- **Drive meaningful change in Ohio and your profession**  
*With your support, landmark municipal income tax reform took effect in 2016 and another round of positive changes will become effective in 2018.*
- **Make your voice resonate with impact**  
*For three consecutive budget bills (2013, '15, and '17), OSCP successfully fought off proposed sales tax expansions to professional services.*

To donate, visit **www.ohiocpa.com/pac** or call **800.686.2727**

*PAC contributions are not tax deductible per Ohio law.*

## Here's to you for loving what you do.

Nationwide® salutes your commitment and passion for being a member of OSCP.

At Nationwide, we're passionate about making a difference, too. It's just one way we prove that we're more than a business. Another way is helping our members save money on their car insurance.



Learn more about our partnership and special discounts.

[nationwide.com/oscpa](http://nationwide.com/oscpa) | Local Agent | 1-886-688-9144

Nationwide Insurance has made a financial contribution to this organization in return for the opportunity to market products and services to its members or customers.

Products underwritten by Nationwide Mutual Insurance Company and Affiliated Companies. Home Office: Columbus, OH 43215. Subject to underwriting guidelines, review, and approval. Products and discounts not available to all persons in all states. Nationwide and the Nationwide N and Eagle are service marks of Nationwide Mutual Insurance Company. © 2016 Nationwide AFR-0239AD (08/16)







Eric D. German, CPA, MAcc

AKRON

**Laura Culp, CPA**, was promoted to partner-in-charge of its construction and real estate services practice at Sikich LLP.

**Eric D. German, CPA, MAcc**, has been promoted to partner at Bober Markey Fedorovich.

BELLAFONTAINE

**Jacob Schroeder, CPA**, of Wilkins Schroeder Accounting Group has been named to Intuit Inc.’s Accountant and Advisor Customer Council.

CINCINNATI

**Nancy Orben, CPA**, has been named on the 2017 Top 100 PROADVISOR list by Insightful Accountant.

CLEVELAND

**Walthall CPAs** earned a 2017 Top Workplaces honor by The Plain Dealer for the sixth time, was recognized with the “We AAM to Serve” award for corporate social responsibility philosophy and received the 2017 Business Longevity Award from Power Players of Cleveland.

**Tyler Kette** was hired as an associate at Walthall CPAs.

COLUMBUS

**Meghan Buxton, CPA**, and **Tobin Perrill, CPA** have been promoted to assurance manager at GBQ.

**Jessica Weeks, CPA** has been promoted to assurance senior manager at GBQ.

**Scott Eichar, CPA**, and **Molly Waite, CPA** have been promoted to senior manager at GBQ.

**Alicia Hammersmith, CPA** has been promoted to tax manager at GBQ.

**Mallory Mohler, CPA** has been promoted to forensic and dispute advisory services manager at GBQ.

NAPERVILLE

**Sikich LLP** was named the SMB Central Region Partner of



Nancy Orben, CPA

the Year and SMB Azure Central Region Partner of the Year by Microsoft.

SPRINGBORO

**Janice L. Culver, CPA**, has been appointed to the Dayton Foundation Governing Board.

TOLEDO

**Robin K. Brinegar** was promoted to firm shareholder at Shultz Huber & Associates, Inc.

WORTHINGTON

**SueAnn K. Wheeler, CPA**, was hired as tax director at MedVet Medical & Cancer Centers for Pets.

Your Strategic Partner for Client HCM

Exceed client expectations with the help of Paychex’ industry-leading human capital management (HCM) technology and expert support staff.

Recruiting & applicant tracking

HR administration

Time & attendance

Benefits administration

Hiring & onboarding

Health insurance management\*

Payroll

Retirement services

Contact your Paychex representative at 1-877-534-4198 or visit [payx.me/oscpa-accounting-professionals](http://payx.me/oscpa-accounting-professionals).

THE

PREFERRED SOLUTIONS PARTNER

PAYCHEX

Payroll • HR • Retirement • Insurance

\*Insurance offered through Paychex Insurance Agency, Inc., 150 Sawgrass Dr., Rochester, NY 14620. CA license #0C28207. The Paychex Insurance Agency Workers’ Compensation Payment Service is available in all states except Alaska, North Dakota, Ohio, Washington, and Wyoming.

Statement of Ownership, Management and Circulation

1. Publication title: CPA Voice

2. Publication number: 07-49-8284

3. Filing date: Sept. 5, 2017

4. Frequency: Bi-monthly, 6 times per year

5. Number of Issues Published Annually: 6

6. Annual Subscription Rate: \$39.95

7. Complete Mailing Address of Known Office of Publication:  
4249 Easton Way, Ste 150, Columbus, OH 43219  
Contact Person: Jessica Salerno  
Telephone: 614-764-2727

8. Complete Mailing Address of Headquarters or General Business Office of Publisher: 4249 Easton Way, Ste 150, Columbus, OH 43219

9. Full Names and Complete Mailing Addresses of Publisher and Editor:  
Publisher: Scott D. Wiley, CAE, 4249 Easton Way, Ste 150, Columbus, OH 43219  
Editor: Jessica Salerno, 4249 Easton Way, Ste 150, Columbus, OH 43219

10. Owner: The Ohio Society of CPAs, 4249 Easton Way, Ste 150, Columbus, OH 43219

11. Known Bondholders, Mortgagees and Other Security Holders: None

12. Tax Status: Has Not Changed During Preceding 12 Months

13. Publication title: CPA Voice

14. Issue Date for Circulation Data: September/October 2017

13. Publication Title CPA Voice		14. Issue Date for Circulation Data Below Sept./Oct. 2017	
15. Extent and Nature of Circulation		Average No. Copies Each Issue During Preceding 12 Months	No. Copies of Single Issue Published Nearest to Filing Date
a. Total Number of Copies (Net press run)		22,000	22,300
b. Paid Circulation (By Mail and Outside the Mail)	(1) Mailed Outside-County Paid Subscriptions Stated on PS Form 3541 (include paid distribution above nominal rate, advertiser's proof copies, and exchange copies)	20,187	19,422
	(2) Mailed In-County Paid Subscriptions Stated on PS Form 3541 (include paid distribution above nominal rate, advertiser's proof copies, and exchange copies)	813	720
	(3) Paid Distribution Outside the Mails Including Sales Through Dealers and Carriers, Street Vendors, Counter Sales, and Other Paid Distribution Outside USPS®	0	0
	(4) Paid Distribution by Other Classes of Mail Through the USPS (e.g., First-Class Mail®)	0	0
c. Total Paid Distribution (Sum of 15b (1), (2), (3), and (4))		21,000	20,142
d. Free or Nominal Rate Distribution (By Mail and Outside the Mail)	(1) Free or Nominal Rate Outside-County Copies Included on PS Form 3541	52	50
	(2) Free or Nominal Rate In-County Copies Included on PS Form 3541	20	20
	(3) Free or Nominal Rate Copies Mailed at Other Classes Through the USPS (e.g., First-Class Mail)	100	80
	(4) Free or Nominal Rate Distribution Outside the Mail (Carriers or other means)	0	0
e. Total Free or Nominal Rate Distribution (Sum of 15d (1), (2), (3) and (4))		172	150
f. Total Distribution (Sum of 15c and 15e)		21,172	20,292
g. Copies not Distributed (See Instructions to Publishers #4 (page #3))		1,330	2,610
h. Total (Sum of 15f and g)		22,502	22,902
i. Percent Paid (15c divided by 15f times 100)		99%	99%
* If you are claiming electronic copies, go to line 16 on page 3. If you are not claiming electronic copies, skip to line 17 on page 3.			
PS Form 3526, July 2014 (Page 2 of 4)			

Oswald has leveraged the purchasing power of 288 professionals under 81 policies, to date.

62  
2-Year Policies Bound

\$246,737  
Total Annual Premiums Bound

\$76,750,000  
Total Limits Provided

Start Saving With Our Professional Liability Risk Purchasing Group  
An exclusive offer for OSCP members only

By leveraging the purchasing power of all participating members, Oswald is able to “pool” the collective insurance needs of the group and provide cost saving benefits including:

PREFERRED PRICING

ENHANCED COVERAGE OFFERINGS

UNDERWRITING FLEXIBILITY

MULTIPLE PAYMENT OPTIONS

MULTI-YEAR POLICY OPTIONS

[www.OswaldCompanies.com](http://www.OswaldCompanies.com)

property & casualty | group benefits | life insurance | retirement plans

WE HAVE PULL

TRAVELERS

oswald

Contact to see if you qualify:  
CARMEN EDGEHOUSE | 216.658.5202 | [cedgehouse@oswaldcompanies.com](mailto:cedgehouse@oswaldcompanies.com)

30 | CPA Voice



SEPTEMBER | OCTOBER 2017      Product ID: #51172

Answer the 12 required questions on the next page based on content in *CPA Voice* and submit your answers to The Ohio Society of CPAs. Receive a grade of 70% or better and earn one hour of CPE credit in specialized knowledge.

Costs

Members ..... \$25  
Nonmembers ... \$40

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

Online Instructions

- Go to [ohiocpa.com/VoiceExamSO17](http://ohiocpa.com/VoiceExamSO17). Log in to receive the member rate.
- Purchase the exam.
- When you are ready to take the exam log in to the OSCPA Store and click “current registrations,” click on “visit classroom,” and then click “take quiz.”
- Be sure to print the automatic confirmation page for your records.

Print Instructions

- Take the exam as an open-book test, recording your answers on the answer sheet by filling in the appropriate circle (pen or pencil is fine).
- Then, fill out the registration information. Check payment must be submitted with the exam. Please print clearly.
- Mail this page, along with your payment, in an envelope to: **The Ohio Society of CPAs CPA Voice Exam, 4249 Easton Way, Suite 150, Columbus, OH 43219.** Fax to **614.764.5880**.

Self-Assessment Exam Results

The Ohio Society sends results for print exam submissions via email if an email address is provided on the form. 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.

ANSWER SHEET

- |    |                         |                         |                         |                         |     |                         |                         |                         |                         |
|----|-------------------------|-------------------------|-------------------------|-------------------------|-----|-------------------------|-------------------------|-------------------------|-------------------------|
| 1. | <input type="radio"/> a | <input type="radio"/> b | <input type="radio"/> c | <input type="radio"/> d | 7.  | <input type="radio"/> a | <input type="radio"/> b | <input type="radio"/> c | <input type="radio"/> d |
| 2. | <input type="radio"/> a | <input type="radio"/> b | <input type="radio"/> c | <input type="radio"/> d | 8.  | <input type="radio"/> a | <input type="radio"/> b | <input type="radio"/> c | <input type="radio"/> d |
| 3. | <input type="radio"/> a | <input type="radio"/> b | <input type="radio"/> c | <input type="radio"/> d | 9.  | <input type="radio"/> a | <input type="radio"/> b | <input type="radio"/> c | <input type="radio"/> d |
| 4. | <input type="radio"/> a | <input type="radio"/> b | <input type="radio"/> c | <input type="radio"/> d | 10. | <input type="radio"/> a | <input type="radio"/> b | <input type="radio"/> c | <input type="radio"/> d |
| 5. | <input type="radio"/> a | <input type="radio"/> b | <input type="radio"/> c | <input type="radio"/> d | 11. | <input type="radio"/> a | <input type="radio"/> b | <input type="radio"/> c | <input type="radio"/> d |
| 6. | <input type="radio"/> a | <input type="radio"/> b | <input type="radio"/> c | <input type="radio"/> d | 12. | <input type="radio"/> a | <input type="radio"/> b | <input type="radio"/> c | <input type="radio"/> d |

REGISTRATION INFORMATION

Full Name: \_\_\_\_\_

Member ID: \_\_\_\_\_

Email: \_\_\_\_\_

Business Name: \_\_\_\_\_

Business Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_

PAYMENT INFORMATION



ONLINE

Pay online at [ohiocpa.com/VoiceExamSO17](http://ohiocpa.com/VoiceExamSO17)

OR



MAIL

Complete this form and return with check made payable to The Ohio Society of CPAs:

The Ohio Society of CPAs  
4249 Easton Way  
Suite 150  
Columbus, OH 43219

Preparing for new not-for-profit reporting

- 1. The FASB’s ASU *Presentation of Financial Statements of Not-for-Profit Entities* is effective for annual financial statements issued for fiscal years beginning after \_\_\_\_\_ and for interim periods within fiscal years beginning after \_\_\_\_\_.**
- A. Dec. 15, 2017; Dec. 15, 2017  
B. Dec. 31, 2018; Dec. 31, 2017  
C. Dec. 15, 2017; Dec. 15, 2018  
D. Dec. 15, 2018; Dec. 31, 2018

- 2. What will be the focus of phase 2 of the FASB’s not-for-profit reporting update? Phase 2 will...**
- A. Fundamentally alter management’s involvement in the reporting process.  
B. Look at how measures of operations (or financial performance) in the statement of activities align with the measures of operations reported in the statement of cash flows.  
C. Look at how measures of operations (or financial performance) in the statement of activities align with the measures of operations reported in the statement of restricted and non-restricted funds.  
D. Focus on the not-for-profit’s reporting of its financial performance and liquidity measures.

- 3. The FASB’s ASU, *Presentation of Financial Statements of Not-for-Profit Entities*, will require all not-for-profits to:**
- A. provide an analysis of expenses by both function and natural classification and will require the not-for-profit to disclose the methods used to allocate expenses among functional expense categories.  
B. provide qualitative and quantitative information about how the not-for-profit manages its liquid resources and its liquidity risks.  
C. use the direct method when preparing their statement of cash flows  
D. Both answer A and B are correct

- 4. Which step should not-for-profit entities be taking to ready themselves?**
- A. Start preparing management and the board of directors for the changes that will occur as a result of the ASU.  
B. Make sure that the not-for-profit’s records contain sufficient detail to allow the not-for-profit’s external auditor to assure himself/herself that the not-for-profit is in compliance with certain internal control/regulatory issues.  
C. Assure that the not-for-profit evaluates the manner in which it accrues its functional expenses and check that there is consistency between this accrual and the cash flow effects of the accrual.  
D. Assure that the not-for-profit’s external auditors are sufficiently prepared to implement the new ASU.

Recent changes to the R&D tax credit provide improved incentives for businesses

- 5. To qualify for the AMT offset, the business:**
- A. (and if a flow-through entity, its partners and shareholders) must have generated less than \$60 million in average gross receipts over the past 3 preceding tax years.  
B. must have generated R&D credits in years ending after December 31, 2014.  
C. (and if a flow-through entity, its partners and shareholders) must have generated less than \$50 million in average gross receipts over the past 3 preceding tax years.  
D. must have generated R&D credits in all years ending after December 31, 2016.

- 6. From 2016 forward a “qualifying small business” can use its research credit to offset a portion of its payroll taxes. To be afforded this offset, the small business:**
- A. Must have gross receipts of less than \$5 million during the tax year

- B. Must not have had any gross receipts for any taxable years before the five taxable year period ending with the current taxable year.  
C. Must have gross receipts of less than \$10 million during the tax year  
D. Answer A and B are both correct.

- 7. Which would now qualify as internal use software for purposes of determining the research credit?**
- A. Software developed for the company’s own general and administrative functions- even if this software does not facilitate or support the conduct of the company’s trade or business.  
B. Software that is developed to be commercially sold, leased, licensed or otherwise marketed to third parties.  
C. Software that is developed to enable a company to interact with third parties or to allow third parties to initiate functions or review data available on the company’s computer systems.  
D. None of the above answers are correct.

How to handle a public relations crisis and preserve your company’s reputation

- 8. What was not mentioned as one of these steps a company should take during a PR crisis?**
- A. Assure that the media and reporters covering the crisis view your company as the go-to contact for updates and correct information regarding the crisis.  
B. Take stock of the situation as best you can and then put out a statement.  
C. Eat some crow- admit to what happened, apologize to those affected and reassure those affected that the company will look into the issue  
D. All of the above were mentioned.

- 9. What is one of the disadvantages of using social media as part of crisis response?**
- A. Social media allows for quick and easy communication.  
B. Social media posts are always looked at, even if your social media account has limited followers.  
C. Social media needs to be monitored, especially for misinformation.  
D. Social media feeds are never reliable and any information sent via social media may not hit the intended audience

- 10. When should a company admit fault for a mishap?**
- A. Immediately, regardless of whether the company might need to backtrack at a later date.  
B. After determining what happened and after determining that outside parties were not responsible for the mishap.  
C. After discussing the issue with the company’s outside counsel, regardless of whether due diligence (related to the crisis) is complete.  
D. Never.

6 risk management mistakes CPA firms make

**11. What was not identified as one of the risk management mistakes CPA firms often make?**

- A. Not discussing questions regarding the insurance application process with the underwriter.  
B. Admitting liability, assuming damages, voluntarily making payments or incurring claim expenses.  
C. Not reporting a potential claim as soon as possible.  
D. Dabbling in high-risk work even when the CPA is proficient at performing such services.

- 12. Low malpractice loss ratios are often associated with services which make up \_\_\_\_\_ or more of the CPA’s practice.**
- A. 65%  
B. 20%  
C. 15%  
D. 45%



# CLASSIFIED

## Accounting Practices for Sale

Are you thinking of selling? Do you need an exit strategy?

**Accounting Practice Sales** specializes in the sale of CPA firms and accounting & tax practices. Our marketing and consulting services are focused exclusively on the accounting professional. We provide guidance and assistance with selling your practice, merging with another firm, establishing a practice continuation plan, growing an existing business or acquiring a new practice.

Contact us for a **FREE**, no obligation consultation and business valuation.

E-mail [steve@APSmidwest.com](mailto:steve@APSmidwest.com) or call **1.800.272.7355 ext 3**.

For more information visit us at **APS.net**

Interested in CPA Practices available for sale? Visit **APS.net** to inquire on details.

## CPA Practice looking for merger or association with younger CPA

Retirement minded CPA looking to merge or associate with younger CPA with eventual sale of practice. The practice has been located in West Chester, Ohio for 20+ years. Revenue exceeds \$365,000 with approximately 55% tax and 45% in compilations/reviews. The firm presently has three full time employees. Please send responses and inquires to [sale@ohiocpa.com](mailto:sale@ohiocpa.com).

## Social Chatter



### Facebook

Like us at [Facebook.com/OSCPA](https://www.facebook.com/OSCPA)

#### Did you know...

- Facebook has 1.79 billion monthly active users around the world as of September 30, 2016.
- The company estimates that it has an average of 1.18 billion daily active users.
- About 84.9% of Facebook's daily active users are outside the United States and Canada.

#### What you will find on our page:

- Content from the Society and other news sites that will affect your day to day work.
- Pictures and videos from our events around the state.
- Weekly "CPAs of Ohio" posts featuring an Ohio accountant in an authentic, personal way.

# 2017 Fall CPE Conferences

Join us for a jam-packed day designed to tackle the topics that matter most to you.

### Dayton Fall CPE Conference

Nov. 16, 2017 | Dayton

### Northwest Ohio CPE Conference

Dec. 14, 2017 | Perrysburg

### Northeast Ohio CPE Conference

Dec. 19, 2017 | Independence



[ohiocpa.com/FallCPE](http://ohiocpa.com/FallCPE)



## SPECIAL INTEREST SECTIONS

UNIQUE COMMUNITIES.  
TARGETED, RELEVANT CONTENT.

Get timely, topical news plus make valuable connections with industry professionals who share your challenges.

#### Select your interest:

- Accounting and Auditing
- Business and Industry
- Financial Planning
- Health Care
- Local Firm Management
- Not-for-Profit
- Small Business
- Tax

**JOIN TODAY – [ohiocpa.com/MySections17](http://ohiocpa.com/MySections17)**

or call your Member Service Center at **800.686.2727**





THE OHIO SOCIETY OF CPAs 2017-2018 EXECUTIVE BOARD

CHAIR OF THE BOARD

Sandra B. Richtermeyer, Ph.D., CPA, CMA

University of Massachusetts – Lowell

Mason

CHAIR-ELECT

John J. Venturella, CPA, J.D.

Clark Schaefer Hackett & Co.

Dayton

PAST CHAIR

William Chorba III, CPA, CGMA

NineSigma Inc.

Beachwood

VICE CHAIR, FINANCE

Owen J. Wyss, CPA

Thompson Concrete Foundations Ltd.

Carroll

PRESIDENT AND CEO

Scott D. Wiley, CAE

The Ohio Society of CPAs

Columbus



DIRECTORS

Marie A. Brilmyer, CPA, M.Acc.

Cohen & Company Ltd.

Akron

Libby Cullins, CPA, M.B.A.

JPMorgan Chase & Co.

Columbus

Paul A. Davison, CPA

BDO

Columbus

Michael J. Elliott, CPA

DittrickCPA

Burton

Crystal Faulkner, CPA, CExP, MAFF

Mountjoy Chilton Medley

Cincinnati

Darlene E. Finzer, CPA, QKA, CSA

Rea & Associates Inc.

New Philadelphia

Lori Kaiser, CPA

Kaiser Consulting LLC

Columbus

Donald L. Mellott, Jr., CPA

Mellott & Mellott PLL

Cincinnati

Jamie P. Menges, CPA, CFP®

PDS Planning

Columbus

Russell J. Meyer, CPA, CMA

White Castle Management Co.

Columbus

Paul Nungester, CPA, CGMA

Welltower Inc.

Toledo

New members  
and affiliates

198

new members and affiliates  
applied in **June**

93

new members and affiliates  
applied in **July**

The list of new members and affiliates is available on The Ohio Society of CPAs’ website at [www.ohiocpa.com/quick-links/about-oscpa](http://www.ohiocpa.com/quick-links/about-oscpa)

Advertisers Index

AccountantsWorld.....

IFC

Duffy & Duffy Cost Segregation Services, Inc .....

5

Accounting Practice Sales .....

7, 34

CompManagement .....

12

Summit Hosting.....

19

CAMICO .....

25

Nationwide .....

29

Paychex.....

30

Oswald .....

31

Advance

Fuel your future

Up your game at Advance Live!

Get current on the issues that change how you work at Advance – a dynamic and interactive program offered at a location near you. Join us as OSCPA President & CEO Scott Wiley leads a fast-paced forum that highlights emerging trends, business best practices and late-breaking regulatory updates that should be on your radar:

- Blockchain technology and its implications for the financial system and economy

• Data analytics and how this essential tool is revolutionizing the accounting profession

• The demographic shift in professional services and what it means for your organization

• Ideas for developing your human capital and NextGen talent and how doing so will influence your competitive position

• The next chapter in the 150-hour debate and how it could affect the pipeline

• OSCPA’s legislative priorities for 2018
- This complimentary benefit of OSCPA membership allows you to earn up to four CPE credits by attending one of the spring events and another four by attending one of the fall events.
- This program fills up fast, so be sure to **reserve your seat today!**
- | DATE       | TIME                   | AREA           | ID #  | LOCATION                                |
|------------|------------------------|----------------|-------|---|
| 10/17/2017 | 8:00 – 11:30 a.m.      | Fairfield      | 51158 | Receptions Fairfield                    |
| 10/17/2017 | 1:30 – 5:00 p.m.       | Loveland       | 51159 | Receptions Loveland                     |
| 10/18/2017 | 9:00 a.m. – 12:30 p.m. | Columbus       | 51160 | Bridgewater Banquet & Conference Center |
| 10/26/2017 | 9:00 a.m. – 12:30 p.m. | Dayton         | 51161 | Mandalay Banquet Center                 |
| 10/27/2017 | 8:00 – 11:30 a.m.      | Columbus       | 51162 | Quest Conference Center                 |
| 10/27/2017 | 8:00 – 11:30 a.m.      | Webcast        | 51163 | Webcast                                 |
| 11/13/2017 | 8:00 – 11:30 a.m.      | Lima/Findlay   | 51165 | Holiday Inn Lima                        |
| 11/13/2017 | 1:30 – 5:30 p.m.       | Toledo         | 51164 | Radisson at the University of Toledo    |
| 11/16/2017 | 8:00 – 11:30 a.m.      | Cleveland West | 51166 | LaCentre Conference & Banquet Facility  |
| 11/16/2017 | 1:30 – 5:30 p.m.       | Cleveland East | 51167 | DoubleTree Beachwood                    |
| 11/17/2017 | 9:00 a.m. – 12:30 p.m. | Wadsworth      | 51168 | The Galaxy Restaurant                   |
- For more information or to register, visit [ohiocpa.com/advance2017](http://ohiocpa.com/advance2017) or call your Member Service Center at **800.686.2727**.
- 36 | CPA Voice





## 2017 **OSCPA** Accounting Shows

Equip yourself for professional success!

## 2017 ACCOUNTING SHOWS

Whether you are in corporate or public practice, these two-day, multi-track events cover a wide range of topics to meet your learning needs. Discover the skills you need to succeed as a tax or accounting professional, including leadership development and specialty skills. You can also brush up on broad updates in tax and A&A and satisfy your professional standards requirement.

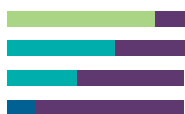


### Cleveland Accounting Show

Oct. 25-26, 2017  
IX Center

### Columbus Accounting Show

Nov. 9-10, 2017  
Nationwide Hotel  
and Conference Center



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

For more information or to register, visit [ohiocpa.com/shows17](http://ohiocpa.com/shows17)  
or call your Member Service Center at **800.686.2727**.