

THE NATURAL STATE
OF ACCOUNTING



Issue 12/December 2022

The ARCPA office will be closed on
November 24-25
December 23- 26
January 2

ARCPA LEAD Academy
Application Now Available

AND HAPPY
NEW YEAR

2022-23





Arkansas Society of
Certified Public Accountants

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qualify for
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credit.

(Per ASBPA Group Study,
Rule 13 Definition)

We have the right CPE for your needs!

Search courses and conferences arcpa.org/cpe/catalog

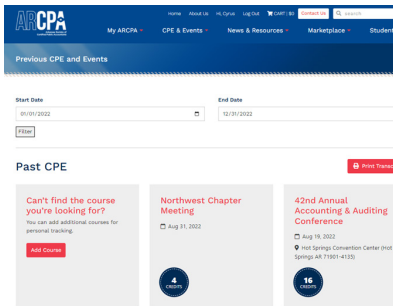
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The Natural State
of Accounting
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YOUR FIRM AND YOUR CHOICES



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LEARN WHILE YOU PLAY

Arkansas is joining the Alabama, Louisiana, and Oklahoma societies for a 2023 Summer Beach Conference

The Lodge at Gulf State Park – Gulf Shores, AL

- 20 CPE credits
- Learn in the morning vacation in the afternoon
- Network with CPAs from neighboring states
- 28.4 miles of hiking and biking trails
- Beachfront location
- Boating, camping and more!

Agenda, registration and hotel information coming soon!

PLAN YOUR VACATION NOW

SUNDAY, JULY 16 - THURSDAY, JULY 20



All ARCPA Members Are Cordially Invited
to Attend the

Legislative Appreciation Breakfast

Capitol Hill Building (beside the State Capitol)
Little Rock, AR
7:30 a.m.
Wednesday, February 1, 2023

Please plan to attend this Legislative Appreciation Event to show your support for the Arkansas Delegation. All Arkansas legislators will be invited to attend.

Please call and personally encourage the legislators in your district to attend. If you have not met those from your area, this would be an excellent time to become acquainted.

If you would like to attend please RSVP by January 25, 2023.
(501) 664-8739 or (800) 482-8739 in Arkansas
or e-mail: rharris@arcpa.org

December Seminars

CONFERENCES AND EVENTS

| Date | Course Title (Acronym) of Study | Field CPE | Hours | Location | Early Bird Fee | Standard Fee |
|-----------------|--|----------------|-------|--------------|--------------------------------------|--------------------------------------|
| DECEMBER | | | | | | |
| 1 H | Professional Ethics Overview (8:30am-12:00pm) (PEO) | ET | 4 | ARCPA | Member \$165 Non-member \$215 | Member \$175 Non-member \$225 |
| 1 H | Risk Management (1:00pm-4:30pm) (RM) | ET | 4 | ARCPA | Member \$165 Non-member \$215 | Member \$175 Non-member \$225 |
| 1 | Securing a Comfortable Retirement in the Age of Spending (SCRT) | OT: 4 TX: 4 | 8 | VIRTUAL-ONLY | Member \$245 Non-member \$345 | Member \$275 Non-member \$375 |
| 2 | Assessing the Risk of Fraud In a Financial Statement Audit (ARF8) | AA | 8 | VIRTUAL-ONLY | Member \$245 Non-member \$345 | Member \$275 Non-member \$375 |
| 5 | 2022 FASB and AICPA Update (FAU) | AA | 8 | VIRTUAL-ONLY | Member \$245 Non-member \$345 | Member \$275 Non-member \$375 |
| 6 | Compilation and Review Practice Guide (CRP) | AA | 8 | VIRTUAL-ONLY | Member \$245 Non-member \$345 | Member \$275 Non-member \$375 |
| 6 | Reviewing Individual Tax Returns (1:00pm-2:40pm) (CL2RIR) | TX | 2 | VIRTUAL-ONLY | Member \$90 Non-member \$115 | Member \$100 Non-member \$125 |
| 6 | Individual Income and Tax Compliance Annual Update (8:30am-12:00pm) (CL4IIT) | TX | 4 | VIRTUAL-ONLY | Member \$165 Non-member \$215 | Member \$175 Non-member \$225 |
| 7 | Hottest Tax Topics for 2022 (HOT) | TX | 8 | VIRTUAL-ONLY | Member \$245** Non-member \$345** | Member \$275** Non-member \$375** |
| 7 | Disclosure - The Key to Financial Statements (DKFS) | AA | 8 | VIRTUAL-ONLY | Member \$245 Non-member \$345 | Member \$275 Non-member \$375 |
| 8 | Compliance Auditing from Start to Finish (CAS) | AA | 8 | VIRTUAL-ONLY | Member \$245 Non-member \$345 | Member \$275 Non-member \$375 |
| 8 | Tax Planning for Small Businesses (8:30am-12:00pm) (TSE.TPSC) | TX | 4 | VIRTUAL-ONLY | Member \$165 Non-member \$215 | Member \$175 Non-member \$225 |
| 8 | IRS Disputes (1:00pm-4:30pm) (TSE.IRS) | TX | 4 | VIRTUAL-ONLY | Member \$165 Non-member \$215 | Member \$175 Non-member \$225 |
| 9 | Accounting and Auditing Update (8:30am-12:00pm) (AAU4) | AA | 4 | VIRTUAL-ONLY | Member \$165 Non-member \$215 | Member \$175 Non-member \$225 |
| 9 | Advanced Cybersecurity Awareness in Accounting (1:00pm-4:30pm) (CYBA4) | AA | 4 | VIRTUAL-ONLY | Member \$165 Non-member \$215 | Member \$175 Non-member \$225 |
| 9 H | Ethics and Professional Conduct: Updates and Practical Applications (8:30am-12:00pm) (CL4GRE) | ET | 4 | ARCPA | Member \$165 Non-member \$215 | Member \$175 Non-member \$225 |
| 9 H | Estate & Trust Primer (1:00pm-4:30pm) (TSE.ETP) | TX | 4 | ARCPA | Member \$165 Non-member \$215 | Member \$175 Non-member \$225 |
| 12 | Multistate Income Tax (TSE.MST) | TX | 8 | VIRTUAL-ONLY | Member \$245** Non-member \$345** | Member \$275** Non-member \$375** |

December Seminars

CONFERENCES AND EVENTS

| Date | Course Title (Acronym) of Study | Field CPE | Hours | Location | Early Bird Fee | Standard Fee |
|---|---|----------------|-------|--------------|--------------------------------------|--------------------------------------|
| DECEMBER | | | | | | |
| 12 | Advanced Taxation LLCs & Partnerships (TSE.APL) | TX | 8 | VIRTUAL-ONLY | Member \$245** Non-member \$345** | Member \$275** Non-member \$375** |
| 13 | CFO Series: 360 Degree Budgeting (CFOS2) | AA | 8 | VIRTUAL-ONLY | Member \$265 Non-member \$365 | Member \$295 Non-member \$395 |
| 13 | Advanced Tax Planning S Corporations (TSE.ATPSC) | TX | 8 | VIRTUAL-ONLY | Member \$245** Non-member \$345** | Member \$275** Non-member \$375** |
| 14 | CFO Series: Financial Communications (CFOS5) | AA: 4 OT: 4 | 8 | VIRTUAL-ONLY | Member \$265 Non-member \$365 | Member \$295 Non-member \$395 |
| 14  | The Best Individual Income Tax Update Course by Surgent (BITU) | TX | 8 | ARCPA | Member \$245 Non-member \$345 | Member \$275 Non-member \$375 |
| 15  | The Best S Corporation, Limited Liability, and Partnership Update Course by Surgent (BCPE) | TX | 8 | ARCPA | Member \$245 Non-member \$345 | Member \$275 Non-member \$375 |
| 16  | Estate and Life Planning Issues for the Middle-Income Client (PMIC) | TX | 8 | ARCPA | Member \$245 Non-member \$345 | Member \$275 Non-member \$375 |
| 16 | What Tax Practitioners Need to Know About Medicare (1:00pm-2:40pm) (MEDC) | TX | 2 | VIRTUAL-ONLY | Member \$90 Non-member \$115 | Member \$100 Non-member \$125 |
| 16 | Reducing a Business Owner Client's Exposure to Social Security and Self-Employment Taxes (2:50pm-4:30pm) (REXE) | TX | 2 | VIRTUAL-ONLY | Member \$90 Non-member \$115 | Member \$100 Non-member \$125 |
| 19  | Interpreting the New Revenue Recognition Standard: What All CPA's Need to Know (8:30am-12:00am) (CL4INRR) | AA | 4 | ARCPA | Member \$165 Non-member \$215 | Member \$175 Non-member \$225 |
| 19  | The Bottom Line on the New Lease Accounting Requirements (1:00pm-4:30pm) (CL4LEAS) | AA | 4 | ARCPA | Member \$165 Non-member \$215 | Member \$175 Non-member \$225 |
| 19  | Real-World Frauds Found in Governments (8:30am-12:00am) (CL4RFGO) | AA/GOV | 4 | ARCPA | Member \$165 Non-member \$215 | Member \$175 Non-member \$225 |
| 19  | Real-World Frauds Found in Not-for-Profits (1:00pm-4:30pm) (CL4RFNF) | AA | 4 | ARCPA | Member \$165 Non-member \$215 | Member \$175 Non-member \$225 |

FIELD OF STUDY KEY:

AA: Accounting & Auditing
ET: Ethics (general)
GOV/AA: Governmental Accounting & Auditing
OT: Other
TX: Taxation



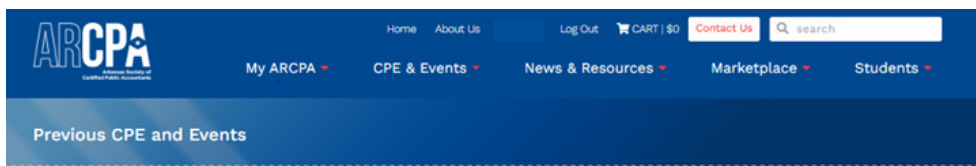
ARCPA
 Introducing the
Knowledge Hub
 from the
Arkansas Society of CPAs

ARCPAHub.org

The Knowledge Hub consists of vendor-sponsored content designed to be helpful in your organization.

Keep Track of Your Continuing Education for the Reporting Year

The Arkansas Society of CPAs is committed to your education. We understand the importance of detailed records to track your CPE, especially during a reporting year. ARCPA's CPE Transcript is free to members and registrants of CPE programs/events.



YOUR CPE TRANSCRIPT FEATURES

- Automatically tracks live courses (seminars and conferences)
- Automatically tracks live stream courses
- Track on-demand courses
- Tracks self-study courses
- Allows users to add courses taken outside of ARCPA
- Mapped to The Arkansas State Board of Public Accountancy website
- Access anytime
- Filter events by years to view recent activity

TO ACCESS YOUR CPE TRANSCRIPT

You can easily track your CPE by logging in to the ARCPA website. Under the “My ARCPA” tab, select “My CPE & Events”, then select “View Tracker” under Past CPE + Events.

Past CPE

The image shows the "Past CPE" section of the ARCPA website. It includes a "Start Date" field set to 01/01/2022 and an "End Date" field set to 12/31/2022, with a "Filter" button below them. A "Print Transcript" button is located in the top right corner. Below these are three course cards. The first card is titled "Can't find the course you're looking for?" and includes a link to "Add Course". The second card is titled "Northwest Chapter Meeting" and shows a date of Aug 31, 2022, with a circular badge indicating 4 CREDITS. The third card is titled "42nd Annual Accounting & Auditing Conference" and shows a date of Aug 19, 2022, with a circular badge indicating 16 CREDITS. The location "Hot Springs Convention Center (Hot Springs AR 71901-4135)" is also listed for this conference.

TO ADD TAKEN FROM OTHER SPONSORS TO YOUR CPE TRACKER

- Login to your account on the website at www.arcpa.org
- Under the “My ARCPA” tab, select “My CPE & Events”, then select “View Tracker.”
- To manually add CPE from other sponsors to your tracker, select “Add Course.”
- Enter all required course information and click “Add.”
- When all your CPE is listed, you can print a copy of your transcript for your records.

MANUALLY ENTERING CPE ON THE RENEWAL SCREEN WILL PREVENT ARCPA DATA FROM LOADING

If a licensee starts entering CPE manually on the State Board website, any subsequent CPE data files sent from the ARCPA will not load into that licensee's renewal records.

For questions regarding your CPE tracker, please contact the ARCPA at 501-664-8739.

Looking for more CPE?



Webinars and Webcasts

ARCPA partners with several CPE vendors to offer a wide variety of webinars & webcasts throughout the year. To search the listing of webinars & webcasts, visit our Online Course Catalog.

Self- Study

If you enjoy the convenience of earning CPE at your own pace and on your own schedule, Surgent's Self-Study CPE courses are the perfect choice. To browse Surgent's Self-Study courses or to register, please visit the Self Study section of the ARCPA website.

Surgent CPA Packages

Choose which package suits you best and enjoy unlimited access! For complete details or to buy a CPE package, please contact Stephanie Tanner at stanner@arcpa.org

Surgent's Unlimited Webinar Package

ARCPA Member Price: \$425

- Unlimited 2020 access to 1200 live webinars

Surgent's Unlimited Self Study Package

ARCPA Member Price: \$299

- 12 months of unlimited access to 200+ downloadable PDF courses

Surgent's Unlimited Plus Package

ARCPA Member Price: \$595

- 12 months of unlimited access to all live webinars, PLUS unlimited access to all self-study courses



WAYS TO SAVE ON CPE

Save \$30: Early Bird Discount



Register early and save! To qualify for the Early Bird discount, your registration (with payment) must be received by the ARCPA 14 days prior to the program.

Save \$30: AICPA Member Discount




Are you an AICPA Member? You can save \$30 on all eight-hour AICPA courses! Look for the notation ** on eligible courses.

Save up to \$200: ARCPA Member Discount



ARCPA Members save big on CPE! Members can save \$50 on four-hour CPE, \$100 on eight-hour CPE, and \$200 on sixteen-hour CPE.



ARCPA to hold 3rd Leadership Academy in 2023

Professionals in Arkansas have various opportunities to participate in leadership programs around the state, but none are geared specifically toward the accounting profession.

The Arkansas Society of CPAs (ARCPA) has developed **LEAD: Leadership Exploration and Development** for our own Emerging CPAs, investing in leaders for our future. **LEAD** is intended to:

- Provide a member service for leadership development and training for emerging members
- Develop a strong pipeline of leadership for the ARCPA
- Expand the reach of a national leadership program to more ARCPA members
- Promote ARCPA membership and engagement
- Enhance the careers of **LEAD** participants

Plans are underway now for the 2023 program to kick off **June 7-9, 2023**, at the Inn at Carnall Hall, located on the campus of the University of Arkansas at Fayetteville, with an additional session being planned for **September 28, 2023**, in Little Rock. Space is limited to 12 applicants.

LEAD is open to ARCPA members, ages 25-35, or those who have been in the profession less than 10 years. Applicants must be licensed CPAs, have the full support of their employer and commit to attending both the June and September sessions. **Deadline to apply is December 31, 2022.** For more information, visit <https://www.arcpa.org/news-resources/LEAD>

[Download your application today!](#)

Here's what previous LEAD attendees had to say about their experience with the program.

“It's a chance to get involved with other CPAs in the state.”

“A great experience to connect with other CPAs outside my area of accounting and learn from others.”

“It will have a huge impact on how I interact with people inside and outside of work. I have enjoyed everyone I was able to meet. A fantastic experience.”



Minzhi Chen Attends AICPA's 2022 Leadership Academy

“One of the most valuable experiences for me from AICPA Leadership Academy is asking genius questions and listening to others with an open mind. Being aware of and understanding your peers, team members, or employee's feelings, thoughts and struggles is very important to becoming a great leader.” - Minzhi Chen

The 2022 American Institute of CPAs (AICPA) Leadership Academy was held October 23-27th. Minzhi Chen was one of only 35 CPAs honored by the AICPA as a member of the Leadership Academy's 14th graduating class. Chen was selected based on her exceptional leadership skills and professional experience for the four-day Leadership Academy program.

Chen is a Tax Manager with Berdon, LLP based in New York, New York, and she resides in Cave Springs, Arkansas. She is a member of Arkansas Society of CPAs and AICPA.

Chen reflects on her personal leadership journey, “I still remember when I first moved to the United States. I was shocked by the culture difference and suddenly felt not as confident as I used to be. I even had anxiety about speaking up in a group because I doubted myself for not knowing everything. I learned that it's impossible for a person to know everything. Be confident in yourself. There are so many things you know, but other people don't know.”

What motivated you to attend the AICPA Leadership Academy?

I grew up in a background where we were taught to respect and not to challenge authority. I have been struggling with what I have been taught to believe and the different voices around me for a very long time. I wanted to get as much insight on what makes a good leader from multiple perspectives. I learned about the AICPA Leadership Academy from one of my college alumni. I was told this would be a terrific opportunity for me, so I filled out the application. I am so honored to be one of the 35 CPAs selected from across the United States.

What is your biggest take away from your experience?

I got to meet some of the smartest leaders in the accounting profession from different backgrounds. The transformational knowledge and leadership skills, the inspiration, and the new connections I gained was truly a life changing experience for me.

How will you apply this experience to your professional and personal life moving forward?

I am looking forward to being involved in the Society and the Northwest Chapter to serve our community. I will continue to train and mentor new staff and help them to grow to become the next great leaders. I am also looking forward to being involved in local community events to spread the word about how exciting it is to be working in this awesome profession.

Help potential clients find you at our...

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The Find-A-CPA Directory is an online referral database available to the public free of charge. This directory allows individuals to search for CPA members by city/zip code, industry expertise, or by keyword.

If you're a certified member of the ARCPA and you work in public accounting, you can enroll through the ARCPA website via your profile.

SIGN UP TODAY



Selling your firm is complex.
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QCM Exposure Draft Issued – Comments Welcomed

The AICPA Assurance Services Executive Committee (ASEC) has issued an Exposure Draft (ED) titled, Proposed Criteria for a Description of the Content of Quality Control Materials (QCM) and the Content of QCM Related to the Relevant Standards and Interpretive Guidance. Interested parties may submit comments to QCMcontentexam@aicpa-cima.com by **December 15**.

The proposed criteria will be used to evaluate QCM content in a new assertion-based examination to be performed under the Statements on Standards for Attestation Engagements (SSAEs). Although not required, a QCM provider, which may be a CPA firm, may engage a practitioner to examine its QCM content (examination) as it relates to the relevant standards and interpretive guidance. The examination will help CPA firms that use QCM, and their peer reviewers, address the risks associated with the use of QCM and monitor their practices.

A woman with dark hair tied back, smiling and looking upwards and to the right. A faint map overlay is visible in the background, particularly on the left side.

Where can an AICPA  credential take your career next?

If you have a specialized interest, you can build on the value you offer clients by adding an AICPA advisory service credential: Personal Financial Specialist (PFS), Accredited in Business Valuation (ABV®), Certified in Financial Forensics (CFF®) or Certified Information Technology Professional (CITP®). These credentials were developed for the profession by the profession. They set you apart, make a statement and get you noticed. And, they can seriously boost your career.



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Enjoy a full month of

HOLIDAY CHEER

from Arkansas PBS



Arkansas  PBS

See the complete schedule myarpbs.org/schedule

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▸ support educational success for Arkansas students

▸ celebrate lifelong learning and entertain and inspire all Arkansans

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Scan or visit
myarpbs.org/donate
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Friday, Dec. 9

8 p.m. Ella Wishes You A Swinging Christmas
9 p.m. Christmas at Belmont

Sunday, Dec. 11

5:30 p.m. Great Performances (Fiddler: A Miracle of Miracles)

Tuesday, Dec. 13

7 p.m. O Holy Night: Christmas with the Tabernacle Choir

Saturday, Dec. 17

11 a.m. P. Allen Smith Garden Home Christmas
4 p.m. America's Test Kitchen: Home For The Holidays

Monday, Dec. 19

7 p.m. Antiques Roadshow: Naughty or Nice
8 p.m. Mary Berry's Ultimate Christmas

Tuesday, Dec. 20

2:30 p.m. Antiques Roadshow: Naughty or Nice
3:30 p.m. Mary Berry's Ultimate Christmas
8 p.m. Rick Steves European Christmas
9 p.m. Lucy Worsley's 12 Days of Tudor Christmas

Wednesday, Dec. 21

3:30 p.m. Lucy Worsley's 12 Days of Tudor Christmas

Friday, Dec. 23

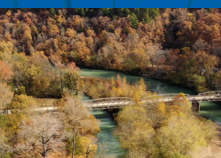
8 p.m. The Nutcracker and the Mouse King

Saturday, Dec. 24

2 p.m. Mary Berry's Ultimate Christmas
11 p.m. Crane Candelight Concert: Peace and Love 2021

Sunday, Dec. 25

Noon Christmas at Belmont
1 p.m. O Holy Night: Christmas with the Tabernacle Choir
2 p.m. The Dean Martin and Frank Sinatra Family Christmas Show
3 p.m. Rick Steves European Christmas
4 p.m. Lucy Worsley's 12 Days of Tudor Christmas
7 p.m. All Creatures Great and Small (The Perfect Christmas)
8 p.m. Call the Midwife Holiday Special
11 p.m. Mary Berry's Ultimate Christmas



2023 FEDERAL TAX HANDBOOK

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The **Federal Tax Handbook, 2023 Edition** by Thomson Reuters will help you prepare 2022 federal income tax returns. It offers comprehensive, insightful guidance on federal tax law, including the latest regulations, rulings, and revenue procedures, as well as precise explanations about changes that could impact your business or your clients.

Don't miss out on authoritative guidance from Thomson Reuters. Pre-order your Federal Tax Handbooks today and be ready for tax season.

Designed to provide quick and easy answers to critical tax questions, the *Federal Tax Handbook* offers comprehensive, insightful guidance on federal tax law, including the latest regulations, rulings, and revenue procedures as well as precise explanations about changes that could impact your business or your clients.

You'll get specific guidance on key tax topics, including individual, trust, partnership and corporate taxation, coronavirus/COVID-19 relief provisions, deductions, credits, capital gains, IRAs, SIMPLE and pension plans, education incentives, passive activity losses, the Code Sec. 199A "pass-through" deduction for qualified business income, employee benefits, estate and gift taxes, and more. And, you'll be able to quickly navigate any tax questions that arise with:

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- Advice on which forms to use to report transactions
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- Extensive professional guidance from an expert editorial team

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City/State/Zip _____

Phone _____

Please place my order for #_____ Copies of @ \$60 per copy = \$ _____

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Credit Card Number: _____

Expiration Date: _____

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**Arkansas Society of CPAs
11300 Executive Center Drive
Little Rock, AR 72211-4352**

Fax form and credit card payment to (501) 664-8320

Email form and payment info. to rharris@arcpa.org

Call ARCPA to order by phone (501) 664-8739 or (800) 482-8739



Pictured left to right: AICPA President and CEO Barry Melancon, Rocky Goodman, AICPA Vice Chair Okorie L. Ramsey, and Marsha Moffitt

ARCPA Chair-Elect Rocky Goodman and Executive Director/CEO Marsha Moffitt attended the 2022 AICPA/CPA-SEA Leadership Conference in Chicago, Illinois on October 18. The Leadership Conference is designed to provide chief volunteer leaders and chief staff executives the opportunity and time to explore priorities for the upcoming year and determine how best to work together to meet the needs of members and lead the profession.

AICPA Fall Council Wrap-Up

By Randy L. Milligan, AICPA Council Representative



The windy city of Chicago, Illinois was the location for this year's AICPA Fall Meeting of Council, attended by me, ARCPA Board Chair Gina Moran, and Executive Director/CEO Marsha Moffitt, held on October 19-20. Titled "Embracing for Today - Reinventing for Tomorrow", Barry Melancon and Susan Coffey discussed the challenges faced by our profession, which included finding and retaining talent; the impact of inflation; scrutiny on ESG reporting; and maintaining culture.

Finding and retaining talent was the top of most everyone's list. The AICPA is looking at possibly allowing an internship, which could count for some of the hours required to meet the 150-hour rule. Let's all hope they make some major progress in the next couple of years.

Also discussed was the fastest growing service in our profession, which is accounting services (write-up work). Accounting services is growing almost 10% faster than any other service provided, which again leads to finding the talent to do the work.

The AICPA is also having conversations with the IRS related to the Employee Retention Credit (ERC) and possibly setting a materiality level to get some of these small businesses the money they need. They discussed the IRS's concern of companies filing for the ERC even when they do not qualify. I believe we've all heard of these instances.

I don't always agree with all the things the AICPA does and probably none of you do, but I will say after attending both the Spring and Fall Council meetings this year, I am happy to say the AICPA is working hard for its members. They are meeting with Congress and the IRS on almost a weekly basis, fighting for the issues we all face.

If you would more information on Fall Council discussion topics, please contact [Marsha Moffitt](#).

The 2023 Spring Meeting of Council will be held in late May in Washington, D.C. ARCPA's delegation will have the opportunity to visit with members of Congress on Capitol Hill, discussing the issues we all face.



Get Ahead of the Holidays

It's that time of year again. Time to get ready for the peak shopping – and peak shipping season. Prepping can feel like a heavy lift, but it doesn't have to be.

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<https://www.arcpa.org/chapters>
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Welcome New Society Members!

The Arkansas Society of CPAs welcomes the following new members. Please take the time to welcome these members and invite them to society and chapter events.

To find members, visit <https://www.arcpa.org/my-arcpa/member-directory>

Learn more about our society and the benefits of membership at <https://www.arcpa.org/>



CPA MEMBERS

CLAYTON J. CAVALIERE, First Financial Bank, El Dorado
THOMAS J. HANKINS, Hankins & Company CPAs, Fort Smith
SUSANNE M. SMITH, Frost PLLC, Little Rock
AMBER D. WHITT, Tooth & Coin, Little Rock

ASSOCIATE MEMBERS

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JONATHAN L. HARBOUR, Emrich & Scroggins LLP, El Dorado
ALLISON N. SMITH, HCJ CPAs & Advisors PLLC, Little Rock
HANNAH M. VALLERY, EGP PLLC, North Little Rock

STUDENT MEMBERS

BRANDIN CAPPELLO, University of Arkansas Fort Smith, Fort Smith
MACKENZIE FARRAR, University of Arkansas Fort Smith, Fort Smith
PORCILYN HARRIS, Arkansas State University Mid-South, West Memphis
ASIA KENTLE, University of Arkansas Pulaski Tech, North Little Rock
JAKE KRUPICKI, Arkansas State University, Jonesboro
KARLA MEJIA, University of Monticello, Monticello
HARRISON J. MOBBS, Arkansas State University, Jonesboro
VI NGUYEN, Arkansas State University, Jonesboro
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Meet Jacob (Jake) Fair, CPA

We are excited to spotlight one of our emerging CPA members, Jake Fair. Fair is a CPA as well as an Attorney. He is a Partner for Wright, Lindsey & Jennings LLP in Little Rock. Fair has been a member of the ARCPA since 2019. He is a native of Heber Springs, Arkansas and an alumnus of University of Arkansas Fayetteville and William H. Bowen School of Law.

What is your first experience or favorite memory of your involvement with ARCPA?

My first experience with the ARCPA was through CPE opportunities. However, I quickly realized through the practice of law that the ARCPA is an incredible resource for CPAs especially as it relates to legislative issues.

What favorite activities/hobbies/volunteerism do you do in your spare time?

I love to golf, but I cannot pretend that I am very good at it. I also enjoy spending time at Greers Ferry Lake with my wife and daughter, Mary and Emily, and dog, Bear.

Best advice for students about becoming a CPA, or taking the CPA Exam?

Stay positive and be resilient. The exam is difficult. For me, the best thing to do was to bring positive energy every day and execute my game plan. It is also important to celebrate the victories and be proud of your success.

Why did you become a CPA?

CPAs and attorneys are problem solvers. I wanted to add value to my clients' experiences and a great way to do that is by gaining knowledge and competency. One way to do that was to become a licensed CPA. My dad and older brother are also CPAs and practice together, so I suppose I also didn't want to be the odd one out.



Meet Chase Haynes, CPA

We are excited to spotlight one of our emerging CPA members, Chase Haynes. He is an Audit Manager for Landmark PLC in Little Rock. Haynes has been a member of the ARCPA since 2015. He is a native of Little Rock, Arkansas and an alumnus of Harding University.

What is your first experience or favorite memory of your involvement with ARCPA?

Attending the Emerging CPAs conference and getting to network with professionals in a similar role. We have a great group of people!

What favorite activities/hobbies/volunteerism do you do in your spare time?

I love to watch football and attend an Indianapolis Colts game yearly. I enjoy hunting and spending time with my kids. I volunteer as an ARCPA Emerging CPAs Committee member and Committee chair for ARCPA Professional Ethics Committee.

Best advice for students about becoming a CPA, or taking the CPA Exam?

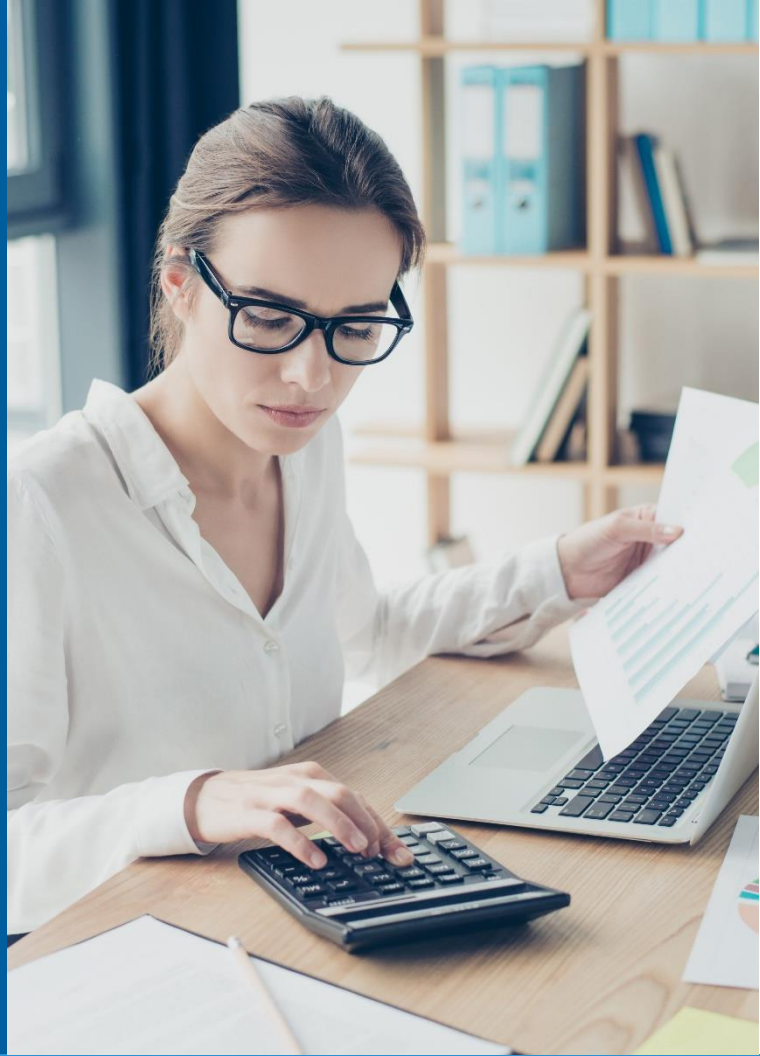
Do not get discouraged. The CPA exam is a difficult test that has a low pass rate. It is an exam of dedication. Start studying and sitting for the exam early and do not give up.

Why did you become a CPA?

I always intended to be a lawyer throughout college and even took the LSAT. When I was offered a public accounting job after college, I decided to start in the work force instead of acquiring more student debt. I am so glad that I made the shift. I love my career and the colleagues that I have met over the years.



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Congratulations to the following ARCPA members

Congratulations to the following ARCPA members who were recently recognized by Arkansas Business Publishing Group

Lifetime Achievement Award winner in Accounting

J. Michael Carroll, retired from Landmark PLC, CPAs, Fort Smith

Small Private Company CFO category winner

Bobby D. Gabbard, Summerwood Partners LLC, Bryant

Non-Profit Organization CFO category winner

Sylvia B. Murchison, Goodwill Industries of Arkansas, Inc., Little Rock

Hospital CFO category winner

Leslie N. Huitt, Bradley County Medical Center, Warren



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- Payroll state and local withholding rules, forms, and tools
- Self-study CPE courses
- Federal and state forms library and more

We've also added a "Monthly Spotlight" section, focusing on current hot topics impacting your industry. Bookmark and check this page frequently to answer your key business questions and increase your productivity in the busy months ahead and beyond.

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Tools in the Toolbox - Act 362 of 2021 Arkansas Elective Pass-Through Entity Tax

By Richard Bell, JD, CPA, CVA



As a long tenured CPA in public practice, it has been a stressful and “lots of hours” required tax season that just ended. Our Firm has assisted our clients in dealing with federal Covid programs that dealt with PPP loans from infancy to repayment or forgiveness, but the BEAST is the complicated tax provision called Employee Retention Credits (ERC), which were included in three pieces of federal legislation known as the CARES ACT. We are still navigating the ERC maze with outside legal assistance and legal opinions and filing amended Form 941X prior to the first filing statute limitation in April 2023. I have been in public practice since 1977 and this past year, in dealing with the COVID related statutes, is the worst in practice history in my opinion as to dealing with one’s intestinal fortitude in serving Arkansas small businesses as their CPA.

While dealing with the CARES ACT, a group of CPA firms, state legislators, the Arkansas Department of Finance & Administration (DFA), and state lobbying groups (Group) were working on another project that would come to be known in Arkansas as ACT 362, the Arkansas Pass-Through Entity Tax Bill (PET). Originally styled in 2019 as HB 1714, the proposed bill was reworked in the fall of 2020 as HB 1209 and received a thumbs-up to be introduced in the respective House and Senate Revenue and Tax Committees in early 2021. The purpose of the ACT was for a proposed SALT workaround for limiting state tax income tax deductibility in provisions created by the 2018 Trump Tax Bill that limited itemized deductions for taxes at an individual level at \$10,000 per year. The “fly in the ointment” issue was the fact that state income taxes of individual taxpayers with pass-through shareholder or partner owned entities were paid at the individual level on the personal returns, and the entity’s state tax bill could not be deducted if it exceeded the \$10,000 limitation.

What a LOSS this tax deduction became to the pass-through paying public! It was worse than the Alternative Minimum Tax, or I as describe it - the flat tax, that added back the state tax to federal taxable income, and the flat rate taxed the amount at 26%. In

2019, the Group thought early on that what made HB 1209 work was the federal tax code section 164 that specifically allowed the federal deduction of state taxes if paid by the pass-through entity as an ordinary and necessary expense. Further, in the Fall of 2020 the IRS served Notice 2020-75 that basically said it would issue further guidance on this matter, but you can do the work-around SALT provision, if passed by your respective state legislatures, and deduct the state tax as an expense on the federal return. With a 37% tax rate, and considering the section 199A impact, thumb nail savings would be 30% of the state tax paid, or a reduction of 2% on the federal tax rate, give or take, for the pass-through entity shareholder or partner.

In March 2021, the Arkansas State Legislature passed a new and updated version of HB 1714, now known as HB 1209, which became a new state statute codified as ACT 362 in March 2022, with an effective date of January 1, 2022. In tax season 2022, we dealt with the Big 3: PPP, ERC, and PET. Paul Gehring, DFA’s Assistant Commissioner of Revenue, gave a presentation at the recent Arkansas Federal Tax Institute in Little Rock. In reviewing his presentation, I would assume that 98% of the energy expended by the CPA this year has been on PPP and ERC, and only 2% on PET implementation. The presentation estimated 40,000 pass-through type entities that would elect PET treatment for 2022, but only about 1,000 have done so. The remainder of this article will share my thoughts on assisting you to independently decide whether the PET election is the right choice for your client. Let us not forget the level of trustworthiness and guidance we provide our clients, and let’s be well-informed to assist our clients in making the best PET decision for their respective companies for this tax year by wisely using our independent judgment. Now my caveat: The below ten items are my opinion, exercising my independent judgment, and they have no legal or tax weight or merit, other than being an informed opinion on the PET entity choice and implementation from my work experience on the matter.

1. As mentioned, Paul Gehring presented an outstanding power point presentation on the PET, which is very detailed and comprehensive in depth and width of information to assist you in determining whether your client will join the 40,000 plus in electing to tax your client as a Pass-through Entity for 2022 by filing the AR362 Election Form. Rather than walk you through the steps of initial registration and set up, I'll refer you to the last page of the PowerPoint titled "Available Resources on DFA's Website." It is a wealth of information and can be found at <https://www.dfa.arkansas.gov/income-tax/pass-through-entity/>. The site contains very self-explanatory information on FAQ's, elections, estimated tax vouchers, extension requests, and the AR1100 PET income tax form with instructions. If you are getting up to speed on the PET, go to that website and review the content. Further, obtain a copy of Paul's presentation from Stephanie Tanner and review the content as well.

2. December 31, 2022 is a key date if you or your client is a cash basis taxpayer. You are not required to make a quarterly estimate regimen for 2022, but you also cannot deduct the state tax on your federal return if you are cash basis and do not pay in the estimate owed by year-end. Again, is 30% savings worth the effort to estimate and pay in the tax prior to year-end?

3. The good news in Arkansas is that you have until the due date of the return in 2023 with legitimate extensions to make the election and file the PET elections if you opt to do so. This will give you additional time to evaluate your client's election to PET, but absent some basis limitation, passive loss limitation, or NOL carryforward on the federal individual return for last year, why would you not file the election and pay the tax at the entity level? We have been running multiple scenarios and we are filing the election on small business clients who have federal taxable income and do not itemize for individual federal tax purposes. Why not take the standard itemized deduction and deduct the state tax at the entity level and take the benefit for your client?

4. Perhaps your hesitancy in making the election was due to waiting on the REGS to be issued

by the State. The proposed rules were issued in September. I received my copy through the ARCPA office. Comments were requested and a public hearing was held in early October. My take on reading the proposed Rules or REGS is that they are pretty well verbatim what the statute ACT 362 provides. I did not see much, if any, word variation. Again, you should go to the DFA website and read the proposed rules. So, if that was your hesitancy, perhaps you should file the election now, if you agree with my reading, very little wording changes.

5. In making the election to be a PET, I would point out to you the way ACT 362 was statutorily written: Code section 26-51-404(b)35 and following was added to an existing state statute on what is Gross Income and what is Excepted from Gross Income, thus exempt income. The new section 35 excludes the PET entity income from the definition of Gross Income; thus the K-1 amount is not reported on the individual's taxpayer FACE state tax return if the PET entity has paid the tax. A major point in presenting to the legislative house tax committee was simplification. If you have 20 partners, thus 20 K-1's you previously filed; if you elect the PET, then you pay one tax for the entire group. That is simplification, and now AR K-1s are not required if the election is operative. There is a requirement on Form 362 PET to report the income exempted and tax paid by each pass-through owner in memo form.

6. Further, subsection 35 above defines what happens when you have a part year or full year resident or nonresident with multistate apportionment of income from an Arkansas pass-through entity. It is exempt from reporting in Arkansas the out of state K-1 if the out of state PET statute is similar (definition?) and tax is paid to the similar PET state. In the proposed REGS mantra, this list of similar states is to be published in February 2023. This may be a reason you do not file the election until you have time to see who the similar PET states are. You do not want to have your client double taxed on the same income for the sake of saving the federal 2% if Arkansas does not include the PET out of state on this list. Again, this information is not available until February 2023.

7. Further, the PET bill added a new chapter 65 to the state statute, now being 26-65-101 and following. Two highlights stand out in evaluating your election, which is an annual choice, if needed. You should familiarize yourself with 26-65-101 and following, similarly to reading the state web site information, it is a quick read.

8. The first highlight is that net long term capital gains are taxed at 50%. The statute was written to allow parity with individual tax treatment of net capital gains long term treatment. This was a big add-in to HB 1209. Thank you to the Arkansas Legislature for this added provision.

9. The second is that 26-65-101 is a statute based on direct income and direct allocation of multistate income, while the Arkansas statutes on gross income 26-51-404 and following is a global all income concept, which is different as to what you report on the 362 PET form. In general terms, an Arkansas individual taxpayer is a global income all source reporter of one's individual return. The 65 statute Act 362 reporting of K-1 income requires you to only report on the 362 PET return, direct income from that entity (think royalty and rents) and directly apportioned sales or revenues directly attributable to Arkansas source income. If you have a multistate operation and report to many states, you cannot take the PET exemption for that out of state income unless Arkansas includes that state in its published list of states, coming in February 2023. Looking back at the draft legislation, it would have been a better play to have made the PET a global K-1 concept and allowed credits for similarly paid amounts to other states through PET similar statutes, composite returns, or individual payments made to non-PET similar states. This would have increased the SALT income tax deduction at the federal tax level.

In conclusion and on the last point above, filing multistate tax returns will be a new state income tax uncharted territory for 2022 and beyond. You have PET states and non-PET states; you have states to which Arkansas will grant similar waivers; you have state returns that will need to be filed in dissimilar PET states, non-PET states which will be

composite or will be a pass-through K-1 that you will pay to that out of state entity, and then report to Arkansas being global that same K-1 income or loss, and Arkansas will allow some state tax credit for the out of state tax paid. Further, and most importantly, the non-similar, composite, and individual income tax payment will limit your SALT deduction to \$10,000 on your federal return and may increase the state taxable income if amounts and credits are not the same for Arkansans (think California - if you did not elect PET in California and it is not on Arkansas's February list).

One final comment: Please note the concept of the Throwback Rules in Arkansas. I do not see this in practice since our firm does not represent many multistate manufacturers. My Throwback Rule for Dummies concept is if there is multistate income that cannot be apportioned to a state directly, then you include it as Arkansas source income in the multistate apportionment schedule. The same may be true in the PET multistate allocation formula since the Arkansas PET statute is direct apportionment (no throwback), but the individual gross income definition is global. So, the question is where does the unallocated income go? It will be an interesting tax season and I will leave you with that thought to discuss with your tax department as to its treatment.

Richard L. Bell is the founder and CEO of Bell & Company, P.A., a public accounting firm headquartered in North Little Rock, Arkansas. He is a member of the Arkansas Society of CPAs, where he currently serves on the Legislative and Taxation Committees. He was appointed to the Arkansas State Board of Public Accountancy in 2018 and is currently serving as President of the Board.



2022 ARCPA AWARDS

Call for Nominations—by December 30

Each year the Arkansas Society of CPAs conducts an awards program to recognize and honor individual members' accomplishments in various areas of the accounting profession. ARCPA is now seeking nominations for its annual awards. Your input is needed to help us identify these exemplary leaders who may qualify to receive these awards. Nominations for the awards are accepted from the membership. Help us pay tribute to your fellow colleagues for their contributions to education, business and industry, or government, or who are active public service volunteers.

DISTINGUISHED ACHIEVEMENT IN ACCOUNTING EDUCATION

This award recognizes full-time college accounting educators distinguished for excellence in teaching and for prominence in the accounting profession. The nominee should be a recently retired, or current accounting educator at a post-secondary educational institution.

OUTSTANDING CPA IN BUSINESS & INDUSTRY

This award recognizes the achievements of CPAs who work in business and industry who have worked to blend information technology, financial decision making and progressive management techniques, helping his or her business move forward.

OUTSTANDING CPA IN GOVERNMENT

This award recognizes the achievements of individual CPAs employed in federal, state, or local government. Through this award, the ARCPA recognizes an outstanding CPA who strives to promote the CPA designation as the premier professional credential for accounting, auditing and finance professionals in government.

OUTSTANDING EMERGING CPA

This award recognizes a young CPA that is 40 years of age or younger, and/or that has passed the CPA Exam within the last ten years, who has made significant contributions to the accounting profession as well as the community at large. Service on at least one ARCPA committee is required. Exemplary leadership qualities and skills must be demonstrated, as well as volunteer service within the ARCPA, local chapter or community.

PUBLIC SERVICE AWARD

This award recognizes CPAs who have distinguished themselves in public service activities at the local, regional, state or national level, and through this service have reflected credit upon the CPA profession.

PUBLIC SERVICE FOR FIRMS

This award recognizes firms for their public service contributions on the local, state, or national level, to encourage more CPA firms to initiate or increase their community service activities, and reinforce the profession's reputation for commitment to public good.



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Workplace Improvements Through Automation

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Workplace Improvements Through Automation

How can automation change your workplace for the better? Let's consider how workplace improvements through automation, such as machine learning and artificial intelligence, can reduce labor requirements and make people's jobs easier. Meanwhile, robots and machines are poised to take over some jobs — but don't panic. That doesn't impact our accounting work. Automation can boost employee training and improve morale. Below are some ways emerging technologies can [change your work experience](#) for the better.

Automation

One way automation can change your workplace is through machine learning. Machine learning can improve workplace culture by making processes more enjoyable. [For example, using a chatbot](#) to provide customer service may be less stressful than talking on the phone or via email with angry customers who have issues with bills or errors.

Using machine learning, accounting tools like [Dext](#), [Vic.ai](#), or [Zoho Expense](#) can process accounts payable invoices or expense items by applying machine learning. Learn more about [five automation opportunities](#).

Efficiency and Improved Organizational Structure

The use of machine learning is already helping to change workplaces. Currently, it improves efficiency and organizational structure. Examples include enhancing collaborative workflows by [identifying bottlenecks](#) and assisting teams in making more informed decisions based on data. In addition, organizations use machine learning to help in [project management](#), so each employee has a fair share of challenging tasks. Finally, they can understand their customers better using artificial intelligence as a [decision-making aid](#).

Career Advancement

Organizations can reduce bias in appraising career advancement opportunities. For example, we can use artificial intelligence or machine learning-enabled tools, such as [pymetrics](#), [HiredScore](#), or [HireVue](#), for [hiring](#) or to reduce bias in appraising career advancement, among other things. Employers can identify promising employees who might not have risen through the ranks due to circumstances outside their control. For example, employees who are overlooked for promotion because they don't have good people skills or a strong ability to give presentations are identified and offered training in these areas.

Employee Training

When [training employees](#), it's crucial to help them learn about the different facets of data science and machine learning. In short, with the [CPA Evolution initiative](#), [Data Analytics](#) will become one of the three specialties of certified professionals. Ensure you cover everything from machine learning and how it works to decide which type of algorithm to use in your process. With enough time and repetition, this information will stick in your employees' minds and be actionable daily.

Improve Workplace Culture

Understanding how machine learning can [improve workplace culture](#) can help you implement strategies in your workplace that get you and your team on board with this new way of doing things. For example, business process management automates and streamlines workflows so staff can concentrate on worthwhile and significant activities rather than grunt work. In addition to increasing employee engagement, BPM increases productivity, reduces errors, and strengthens your balance sheet. When developing a BPM framework, continuously assess its efficacy, and act based on the monitoring data to enhance the process and output. Support tools from [Celonis](#) and [Minit](#) (acquired by Microsoft) will also automate more of the process mining.

Develop Your Technology Skills

To learn more about machine learning, consider returning to school. [Earn an online computer science degree](#) to help advance your knowledge in machine learning, logic, architecture and systems, and artificial intelligence. A degree focusing on technology can help you find a fulfilling career and stay up to date on developments in the machine-learning space.

Summary

With this newfound understanding of machine learning automation and its potential impacts on your workforce, it's necessary to consider how it can enhance teamwork, improve culture, increase employee learning and training opportunities, and reduce bias. In addition, workplace improvements through automation can help your business. [Visit Totally Paperless](#) for a guide on paperless offices, software solutions, and processes to achieve your business goals.

Check out the [K2 Enterprises Technology Conference](#) to learn more about automation opportunities.

Your Firm and Your Choices

Top Technology Initiative Article

By *Randy Johnston*

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Finally, another tax extension season, and most deadlines are behind us. It is now that many of us make the changes to prepare for next year. In other columns, I have discussed [strategic planning](#) or [your needs](#), but for the moment, I'd like you to think tactically. What issues have you and your team dealt with or worked around in the last few months that you can work on over the next few weeks and months? What can you do now to improve client and firm experience? How can you adjust your firm's capacity?

What are the top issues you need to address?

While I hope you know how much I appreciate you reading my columns, you must stop for a moment and prepare to take notes. While I know many of you are intelligent and probably can remember most things, this column will have an exercise that may take a bit more proactivity from you than usual. So whether you keep notes on paper or in other platforms like [OneNote](#) (see ideas for use in your firm [here](#) in The Grove), [Evernote](#), [Google Keep](#), iPhone Notes, Excel, Word, [GoodNotes](#), [Notability](#), or [others](#), get ready to use the place where you warehouse your ideas.

First, please stop and write down the top issues you are dealing with now and in the past few months. I wasn't kidding! How many are on your list? You didn't stop to make a list? Take the time now to come up with items in your firm, your life, your clients, or anywhere else that needs your attention. Then, before you stop making that list, take one last look at the items for your firm, your life, and your team. Did you get them all?

It is nice to have you back from making your list. Second, take the time to sort these in priority order. If you put the issues needing attention on paper or in your head, that may take more or less time, but if they are in any electronic format, sort them out. I'll wait for you to do that.

Are you done? Excellent! Now add a few characteristics to each item. If you made your list in Excel, you'd get a bit of an advantage here because you'll add just a few more columns. I believe it is best to estimate 1) the amount of time needed, 2) how much it will cost, 3) others to have involved, and 4) when you would like this done. You may use these attributes to help with 1) blocking the calendar

to allocate the time to complete items, 2) making sure you have enough money, 3) delegating or collaborating, and 4) setting timeframe goals. I hope you have time to get everything done before the holidays. But there is no time like the present to get things done.

What ideas can you give me?

You know that I always like to have you start with a strategic and technology plan, but that's not the goal of this article. Further, this may not be the time to select a new technology tool. Instead, it is time to identify what you can do NOW to improve things. We must buy time to solve other issues by eliminating the time wasters and working on the highest priority items first.

Your list is way more important than my list or any other bright light idea to follow. However, I wanted to provide a list of items that are concerning or on other firms' "to-do" lists. Of course, other people's priorities are not your priorities, and their solutions may not be your solution, but what others consider an issue may be an idea for you to consider.

What are common issues and the best of class solutions for firms now?

1. **People recruitment (lack of capacity)** – if you can't find resources locally, you can get short-term labor with services from [AdvanceTrack](#), [BooXkeeping](#), [TOA Global](#), [Taxfyle](#) or [Xpitax](#)
2. **Ease of client document exchange** – if you can't quickly get the supporting documents you need for projects from your PBC (prepared by the client) list from your clients, consider tools like [Liscio](#), [SmartVault](#), [Suralink](#), or [e-Courier](#)
3. **Quote to Cash (collection or proposals to engagement to a completed project to billed work to money in the bank)** – many firms are struggling with this entire cycle. While work has been plentiful, the steps to get this done easily have been too painful. Look at what is causing the issue in your firm and try to address it. It may take a holistic view to solve correctly, but perhaps a few band-aids, for now, will overcome most of the issues. While you can apply many solutions in this process if the problem is;

- For engagement letters, try [Knuula](#)
 - For workflow or project management, try [Clarity Practice Management](#), [CCH Axcess Workflow](#), [Doc-It Suite Cloud](#), [TPS Cloud Axis](#), or [Jetpack Workflow](#)
 - Too much keying of data, try [Dext](#), [Hubdoc](#), or [Sage Autoentry](#)
 - Too much time in trial balance to tax or client accounting to tax, try [Tallyfor](#)
 - For getting paid, try [CPACharge](#), or [QuickFee](#)
4. **For paying bills**, try [Corpay One](#)
 5. **For technical support issues**, try [Ace Cloud Hosting](#), [CETROM](#), [Right Networks](#), or [Network Management Group, Inc.](#) If you already use one of these companies and they ARE the problem, please email or phone me directly.
 6. **For learning/CPE needs**, try [The Technology Lab](#), [The Grove](#), [K2 Enterprises](#) or [CPEToday](#)
 7. **CAS and payroll software**, try [AccountantsWorld by IRIS](#)
 8. **For accounting software for your clients**, try tools like [Accounting Power](#), [AccountingSuite](#), [Acumatica](#), [NetSuite](#), [QuickBooks Online](#), [Sage Intacct](#), [Spire Systems](#), [Xero](#), or [Zoho](#)

These issues and these solutions may be reasonable short-term AND long-term solutions. While [The Technology Lab Podcast](#) can give you a tactical view of product solutions, co-host [Brian Tankersley](#) and I have many strategic discussions and thoughtfully advance individual solutions for your [technology stack](#). Please listen in to hear our latest takes on solutions of all kinds. Just as important, if you want to hear about a solution or have a problem area you would like us to address, please email that idea to me directly. I continue to learn about new products and solutions from readers like you every day.

So, What Do I Do Now?

Take one final look at the list that you have now developed. While it may seem overwhelming, remember to focus on first things first. In previous columns, I have mentioned the value of Zig Ziglar's [Wheel of Life](#) (Health, Career, Love, Spirituality, Family, Money, Fun, and Friends). Don't let your list focus too much on work! While many people speak about work/life balance, you'll find you are much more content if you have a to-do list that includes something important in each of these areas. My partner of thirty years had many catchphrases that he liked to use, like "happy wife, happy life." COVID-19 made me more aware than ever of the importance of health and family. It also made me value fun and friends more than ever before.

It may be time to go back to that list one more time and add an extra column that includes the wheel of life attributes. OR you could create a separate list now with your top goals in each area. Focus on what is important to you, and make sure you take time to block the calendar to focus on your top priorities in each Wheel of Life item. You probably realized long ago that the only person you can really control is you. While you can influence others, only you can control yourself (and I'm sure at times you wonder if you are getting that done well.) I'd encourage you not to be too self-centered or "me first" because I believe you'll get the most satisfaction if you help others. For many practitioners, that's why we are in public practice. We wanted to help others with our accounting skills.

With this and every column, I intend to help you stop and think about what is best for you, your firm, and your life. So, what choices can you make today to make for a better tomorrow?

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Your Firm and Your Staffing Top Technology Initiative Article

By *Randy Johnston*

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Having a somewhat “normal” tax season behind us certainly feels good. While it would be nice to have COVID behind us and the IRS caught up, these issues may be part of our “new normal.” Unfortunately, staffing issues also seem to be part of the new normal. At the same time, the pandemic period saw both a “great resignation” and a “great retirement” that left many of us with even more significant staffing issues.

Since I spend time consulting with CPA firms, industry accounting professionals, and providers of tools to accountants, I can learn about staffing pressures in each sector. It seems that all industries are having staffing issues, with increased demand on wages, possibly to counteract inflationary pressures. Further, while pandemic deaths may have created some labor availability issues, there are also skill shortages requiring reskilling. Additionally, entrepreneurs used this time to start new businesses, with record business creation in the US in 2021. The net and short of it is that people are hard to come by everywhere.

Why the Labor Shortage?

More intelligent people than me are trying to answer that question. But a few things seem to be true. Most have a root cause of working too much. Further, the value of family and friends has increased while social media has decreased genuine interactions.

Accountants typically worked very long hours at certain times of the year. The profession has converted to year-round operations, and there is no breathing time or margin. New generation accounting professionals have decided that is not the plan for them.

We went through a time of work-life balance discussions. The pandemic put that in a whole new light. For many, their home became their workplace for the first time. For others, there was no ability to disconnect from work at home. A significant number of professionals found themselves burning out for the first time with the additional load of PPP, PPP2, and educating children remotely. It was too much. However, working at home also demonstrated how individuals might not need a more extensive organization.

Since working from anywhere, anytime, became normal, globally recruiting labor was an option. Likewise, continuing to work from home, in a favorite place, a remote place, or multiple places became real. That meant we could work for anyone or ourselves. With my SpaceX Starlink dish, I can now work at high speeds anywhere in the country for about \$99 per month. Why should I go to an office or a cubicle (some would say dungeon) when I could choose the beach, the mountains, or my pasture property in the country?

Additionally, it became apparent that it was not about how much was produced but how effective I was. Value pricing took on a whole new meaning when income covered everything desired in the lifestyle. If your firm is not offering at least a hybrid work environment, you are likely to lose out on the best talent.

A certain amount of labor is needed for the product mix your firm provides. Where are you going to get that labor? Outsourcing? And what does that do to profitability and complexity? Further, providing higher-level advisory services requires professional skills beyond compliance, driving reskilling again!

Additionally, compliance work has never been more profitable for firms. So why should we change from a profitable, predictable lifestyle? As a result of profitable compliance engagements, most firms report record earnings for 2020 and 2021. I hope your firm was among them.

Will Automation Help?

Maybe, but probably not. While software tools, such as pre-accounting solutions like [Dext](#), reduce work, automation cannot overcome the amount of labor needed. However, the capabilities of the products are improving. The accuracy is increasing. Speed is improving in hardware, communications, and throughput. Connections between systems are getting better, easier to implement, and more reliable with tools like [Zapier](#) and [CData](#). In addition, underpinning technologies like artificial intelligence and machine learning provide developers and users alike leverage.

Operational issues like engagement letters are becoming easier with tools like:

- [Amelio by HKMP Technologies](#)
- [Knuula](#)
- [Practice Ignition](#)
- And engagement pricing - [Bookgel](#) integrates with [BIZPAYO](#)

Practice Management automation is also saving team members time with improved capabilities in

- [Aero Workflow](#)
- [ATOM](#) Software - Automated Tax Office Manager
- [Avii](#)
- [Canopy Practice Management](#)
- [Clarity Practice Management](#)
- [Karbon](#)
- [Pascal Workflow](#)
- Practice Relief – [AccountantsWorld by IRIS](#)
- TPS Clous Axis - [TPS Time and Billing Software](#)
- STAR Practice Management [by IRIS](#)
- Xero [Practice Manager](#)

Client interactions are changing for the better with products and services like

- [BooXkeeping](#)
- [Corvee](#)
- [Liscio](#)
- [SmartVault](#)
- [Suralink](#)

But even with the improvements in these supporting platforms, there is not enough time in the day to get everything done. Adages like “work smarter, not harder”

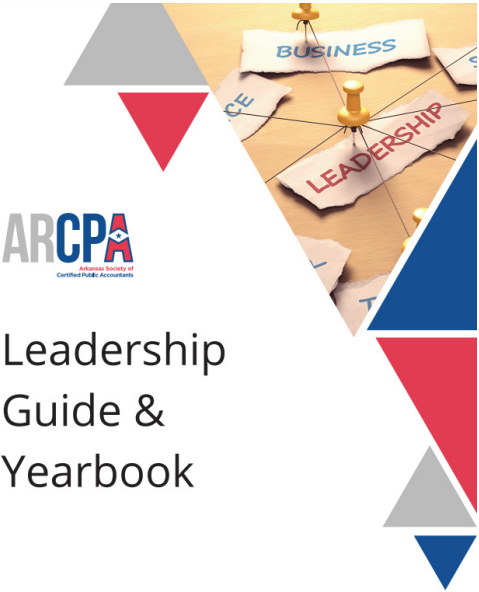
and “If You Don’t Have Time to Do It Right, When Will You Have Time to Do It Over?” come to mind. We need a revolution in accounting professional labor, not an evolution!

What Does the Future Hold?

Another adage that I’ve written about in the past is “The best way to predict the future is to create it.” While the future is always uncertain, I believe the value of businesses is in their people. As early as 2018, McKinsey [reported](#) that automation and AI-based solutions would bring higher productivity, improved business performance, and a greater need for new skill sets by 2030. Reskilling will involve not only digital skills but also cognitive and emotional skills such as critical thinking and communication or, as [McKinsey experts](#) like to call it, “soft skills for a hard world.” This transition is already starting to happen. Are you helping your team get there?

Traditional firms and services will continue to exist. But, there will be a new generation of clients and accounting professionals that want something different than the traditional model. Can you create a firm where you would be excited to come to work every day? What does that mean to you, your firm, and your staff?

Randy Johnston is a partner in [K2 Enterprises, LLC](#), and a frequent speaker and consultant to the profession. The course “Options To Automate Your Tax Preparation Workflow” is part of the two-day conference offered by the VSCPA. To see the agenda, [visit https://www.k2e.com/conferences/2022-multistate-conference/](https://www.k2e.com/conferences/2022-multistate-conference/)



The graphic features the ARCPA logo on the left, which includes the text 'ARCPA' and 'Arkansas Society of Certified Public Accountants'. To the right of the logo is a large, stylized letter 'A' composed of several triangles in shades of blue, red, and grey. Inside the 'A', there are images of business cards and documents pinned together with yellow pushpins. One card clearly shows the word 'LEADERSHIP' in red, and another shows 'BUSINESS' in blue. Below the 'A' graphic, the text '2022-2023' is displayed in a blue, sans-serif font.

The Leadership Guide and Yearbook is an informative resource for ARCPA Board Members, Chapters, and Committees.

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