

THE NATURAL STATE
OF ACCOUNTING



Issue 12/December 2020

The ARCPA staff would like to wish you a Happy Thanksgiving and Merry Christmas. Your continued support of the ARCPA is very much appreciated. We are so thankful and blessed that you have made the Arkansas Society of CPAs your professional home.

The ARCPA office will be closed on:

November 26-27

December 24-25

January 1



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Certified Public Accountants

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(Per ASBPA Group Study, Rule 13 Definition)

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GET PUBLISHED

If you are interested in submitting a column or feature to The Natural State of Accounting monthly newsletter, please submit to membership@arcpa.org.

The Natural State of Accounting is published monthly by the Arkansas Society of CPAs for its members. Views and opinions appearing in this publication are not necessarily the views of the ARCPA. The products and services advertised in the Natural State of Accounting have not been reviewed or endorsed by the ARCPA, its board of directors, or staff. Photo & Media Disclaimer - By attending any ARCPA event, participants understand that they may be photographed or videotaped and grant the Arkansas Society of CPAs permission to use them in a photograph, video, or other digital media. This includes any and all of its publications, including, but not limited to: social media, web-based publications, or email marketing. Should a registrant decide they do not wish to be photographed or recorded during an event, they will make their wishes known to ARCPA staff prior to the event.

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The advertisement features a photograph of a white GE refrigerator with gold handles on the left. On the right, a black background contains the GE logo and the text: "GE APPLIANCES STORE", "BLACK FRIDAY SALES EVENT", "SAVE UP TO 35% ON SELECT APPLIANCES", "FREE DELIVERY ON ORDERS OVER \$299", and "Offer valid 11/04/20 - 12/03/20".

December Seminars

CONFERENCES & EVENTS

Date	Course Title	Field CPE (Acronym) of Study	Hours	Location	Early Fee	Standard Fee
1	Professional Ethics Overview (8:30am-12:00pm) (PEO)	ET	4	VIRTUAL-ONLY	Member \$165 Non-member \$215	Member \$175 Non-member \$225
1	Risk Management (1:00pm-4:30pm) (RM)	ET	4	VIRTUAL-ONLY	Member \$165 Non-member \$215	Member \$175 Non-member \$225
7	2020 FASB and AICPA Update (FAU)	AA	8	VIRTUAL-ONLY	Member \$245 Non-member \$345	Member \$275 Non-member \$375
7	Cases in Corporate Ethics: Discuss Real Life Conflicts (8:30am-12:00pm) (CCE)	ET	4	VIRTUAL-ONLY	Member \$165 Non-member \$215	Member \$175 Non-member \$225
7	Shorten Month-End: Closing Best Practices (1:00pm-4:30pm) (SME)	AA	4	VIRTUAL-ONLY	Member \$165 Non-member \$215	Member \$175 Non-member \$225
8	Compliance and Review Practice Guide (CRP)	AA	8	VIRTUAL-ONLY	Member \$245 Non-member \$345	Member \$275 Non-member \$375
8	Only Financial Officer 3.0: More Skills for Smaller Company Financial Managers (OFO)	OT	8	VIRTUAL-ONLY	Member \$265 Non-member \$295	Member \$365 Non-member \$395
9	Best Practices for Payroll Taxes and 1099 Issues (GPT)	TX	8	VIRTUAL-ONLY	Member \$245** Non-member \$345**	Member \$275** Non-member \$375**
9	Disclosure - The Key to Financial Statements (DKFS)	AA	8	VIRTUAL-ONLY	Member \$245 Non-member \$345	Member \$275 Non-member \$375
10	Nonprofit Industry Update and GAAP Refresher (NIU)	AA/GOV	8	VIRTUAL-ONLY	Member \$245 Non-member \$345	Member \$275 Non-member \$375
10	Succession Planning for the Small Business Owner: Finding the Exit Ramp (8:30am-12:00pm) (BSP4)	TX	4	VIRTUAL-ONLY	Member \$165 Non-member \$215	Member \$175 Non-member \$225
10	Four Tiers of Loss Limitations: A Guide to the New Rules for Pass-Through Entities (1:00pm-4:30pm) (FTL4)	TX	4	VIRTUAL-ONLY	Member \$165 Non-member \$215	Member \$175 Non-member \$225
11	Audits of Defined Contribution Pension Plans (ADC)	AA	8	VIRTUAL-ONLY	Member \$245 Non-member \$345	Member \$275 Non-member \$375
11	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
14	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
14	The Best Individual Income Tax Update Course by Surgent (BITU)	TX	8	VIRTUAL-ONLY	Member \$245 Non-member \$345	Member \$275 Non-member \$375
15	The Best S Corporation, Limited Liability, and Paternership Update Course by Surgent (BCPE)	TX	8	VIRTUAL-ONLY	Member \$245 Non-member \$345	Member \$275 Non-member \$375

December Seminars (Cont.)

Date	Course Title	Field CPE (Acronym) of Study	Hours	Location	Early Fee	Standard Fee
16	Surgent's Advanced Individual Income Tax Return Issues (STRI)	TX	8	VIRTUAL-ONLY	Member \$245 Non-member \$345	Member \$275 Non-member \$375
16	The Most Common Financial Statement and Asset Fraud Schemes: How to Detect and Prevent Them (8:30am-12:00pm) (CL4TTFS)	AA	4	VIRTUAL-ONLY	Member \$165 Non-member \$215	Member \$175 Non-member \$225
16	Ethics and Professional Conduct: Updates and Practical Applications (1:00pm-4:30pm) (CL4GRE)	ET	4	VIRTUAL-ONLY	Member \$165 Non-member \$215	Member \$175 Non-member \$225
17	Annual Update for Accountants and Auditors (AUAA4)	AA	8	VIRTUAL-ONLY	Member \$245** Non-member \$345**	Member \$275** Non-member \$375**
18	AICPA's Annual Federal Tax Update (PTU4)	TX	8	VIRTUAL-ONLY	Member \$245** Non-member \$345**	Member \$275** Non-member \$375**
18	Audits of Employee Benefit Plans Subject to ERISA (AUEBP)	AA	8	VIRTUAL-ONLY	Member \$245** Non-member \$345**	Member \$275** Non-member \$375**
29	Interpreting the New Revenue Recognition Standard: What All CPA's Need to Know (CL4INRR)	AA	4	VIRTUAL-ONLY	Member \$165 Non-member \$215	Member \$175 Non-member \$225
29	The Bottom Line on the New Lease Accounting Requirements (1:00pm-4:30pm) (CL4LEAS)	AA	4	VIRTUAL-ONLY	Member \$165 Non-member \$215	Member \$175 Non-member \$225
29	Real World Frauds Found in Government (8:30am-12:00pm) (CL4RFGO)	AA/GOV	4	VIRTUAL-ONLY	Member \$165 Non-member \$215	Member \$175 Non-member \$225
29	Financial Reporting for Not-For-Profit Entities (1:00pm-4:30pm) (CL4RFNF)	AA	4	VIRTUAL-ONLY	Member \$165 Non-member \$215	Member \$175 Non-member \$225

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 \$100: Course Administrator

Check people in and be our eyes and ears at off-site seminars, and attend at a substantially reduced rate. Off-site seminars are seminars taking place in locations other than the ARCPA Conference Center in Little Rock. Contact Stephanie Tanner at 501-664-8739 or stanner@arcpa.org for details.

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.

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.

Like us on Facebook!

Our Facebook is www.facebook.com/arcpafans. We will be posting discount offers for CPE programs exclusively on our Facebook page!

Looking for more CPE?

Webinars & 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 CPE 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

**Arkansas Federal
Tax Institute**

December 3-4, 2020
Virtual
CPE Hours: 16



[Register Now](#)

Member Fees:	Non-member Fees:
\$220 Early Fee	\$320 Early Fee
\$250 Standard Fee	\$350 Standard Fee

(early fee expires 11/19/20)

ARCPA Conference Group Pricing

Have multiple people from your firm/company wanting to attend the same conference?

Register three or more people from the same firm/company for the same conference and receive a group discount! See discount details per conference below. To take advantage of the ARCPA's Conference Group Pricing just fax, mail, or email your registration form with the list of attendees. Questions? Please contact Stephanie Tanner at 501-664-8739 or stanner@arcpa.org.

The following discount is applied when three or more people from the same firm/company register for the same conference:

Tax Institute: \$25 Off/Person

Group Pricing Terms & Conditions:

- To receive the group discount, all individuals must be registering for the same conference.
- Payment is required with registration to receive the group discount.
- Group discount is only valid for ARCPA Conferences.
- Only ARCPA members may qualify for the group discount. Non-members may apply for membership to receive the group discount.
- All individuals must be listed at the time of registration.
- Programs excluded: Educators' Conference



Group Pricing Registration

Conference Name _____

Firm Name _____

Address _____

City _____ State _____ Zip _____

Phone _____ Fax _____ Email* _____

**Payment receipt will be sent to this valid email address*

Employee Information:

Name	Email Address	Fee	Group Discount
1. _____	_____	_____	- _____
2. _____	_____	_____	_____
3. _____	_____	_____	_____
4. _____	_____	_____	_____
5. _____	_____	_____	_____
6. _____	_____	_____	_____
7. _____	_____	_____	_____
8. _____	_____	_____	_____
9. _____	_____	_____	_____
10. _____	_____	_____	_____
		Subtotals	_____
		Total Amount Enclosed	_____

The Early Bird Price applies only when registering at least 14 days prior to the course or conference.

Group Pricing Terms & Conditions:

- To receive the group discount, all individuals must be registering for the same conference.
- Payment is required with registration to receive the group discount.
- Group discount is only valid for ARCPA Conferences.
- Only ARCPA members may qualify for the group discount. Non-members may apply for membership to receive the group discount.
- All individuals must be listed at the time of registration.
- Programs excluded: End of Busy Season CPE & Fish Fry, Educators' Conference

Cancellation Policy:

Full refund, less a \$10 service charge will be made if notice of cancellation is received at least 60 days prior to the course or conference date. Full refund, less a \$25.00 service charge will be made if notice of cancellation is received between 10 and 60 days prior to the course or conference date. **NO REFUND WILL BE MADE IF NOTICE OF CANCELLATION IS RECEIVED LESS THAN 10 DAYS PRIOR TO THE COURSE OR CONFERENCE DATE.**

Registration with Payment by mail: ARCPA, 11300 Executive Center Drive, Little Rock, AR 72211-4352

Registration with Credit Card payment:

FAX: (501)664-8320 PHONE: (501)664-8739 or

MasterCard Visa American Express

WEB SITE: www.arcpa.org

(800)482-8739 in Arkansas

Card # _____ Expiration Date _____

Signature _____

Conference Wrap- Ups

14th Annual Fraud Conference

Thank you to the 82 members who joined us for the 14th Annual Fraud Conference! This knowledge-filled event covered a variety of topics from several great speakers. What did attendees like best about this conference? Very relevant topics from all speakers; All speakers were interesting, but especially Andrew Fastow; Hearing about real-life examples made this topic interesting.

Special thanks to the speakers: Anne Layne, Gwen Moritz, Kyleen W. Prewett, and Andrew Fastow.

Also, special thanks to the Fraud Committee: Chase D. Haynes, Angela K. Hopkins and Kim A. Williams.

Last but not least, a big thank you to the conference sponsors: **CPA Charge, Deloitte, and McGriff.**



7th Agriculture Conference

Thank you to the 78 members who joined us for the 7th Annual Agriculture Conference! This annual event covered a variety of topics from a great speaker. What did attendees like best about this conference? Recent changes in tax laws were noted; Hearing from someone very much in the know; Learning about the CARES Act updates, and much more.

Special thanks to the speaker, Paul G. Neiffer.

Last but not least, a big thank you to the conference sponsors: **CPA Charge and McGriff.**



25th Annual Mac & Barbara Angel Memorial Golf Tournament

Fourteen teams competed in the 25th Annual ARCPA Mac & Barbara Angel Memorial Golf Tournament on October 5, 2020 at Maumelle Country Club near Little Rock. The Tournament Co-Chairs were Michael Pierce and Taylor Stockemer. All net proceeds from the tournament are awarded as scholarships by ARCPA Student Education Fund a 501(c)3 non-profit corporation.

First Flight

1st Place Brooks Joseph, David Rogers, Kirk Welch & Mike Shaw (\$75 gift certificate per player)

2nd Place Beau Harvey, Brent Hooten, Mark King & Justin Spencer (\$50 gift certificate per player)

Second Flight

1st Place Tim Ezell, Kathryn Griffin, Brad Runyon & Taylor Stockemer (\$75 gift certificate per player)

2nd Place Charles Hanson, Ben Harris & Gary Miller (\$50 gift certificate per player)

Closest to Pin Kylor Skaggs

Longest Drive Matt Summitt

Presenting Sponsor



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Team Sponsors

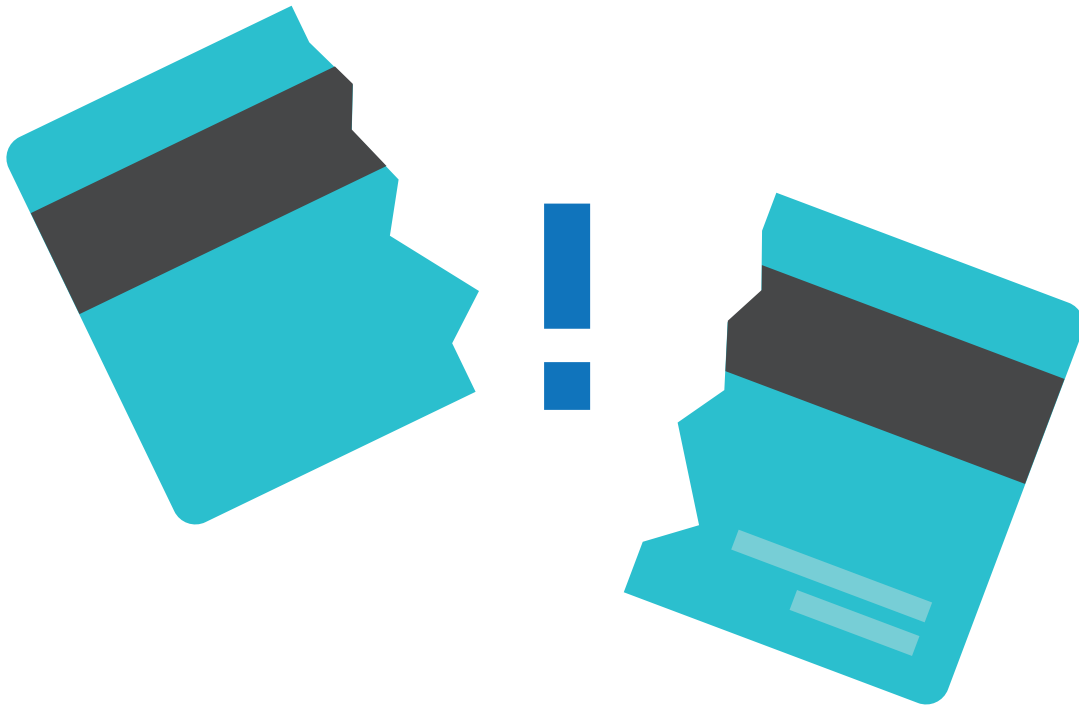
Friday Eldredge & Clark, LLP
Hyden Miron & Foster, PLLC
Barber Law Firm, PLLC
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William L. Cook, II ARCPA Past President and Longtime Member Dies

William L Cook, II was a Certified Public Accountant associated with the firm established by his father, William P. Cook & Associates, PLLC. Mr. Cook's work in his professional organizations matches that of his volunteer work. Cook served on the Board of the Arkansas Society of Certified Public Accountants, as Treasurer, Secretary, Vice President, and then President in 2012-2013. Mr. Cook also served on the Council for the American Institute of Certified Public Accountants. In addition, he served as a Director for many years on the Arkansas Society of CPAs Student Education Fund, from 2002-2020.

He took great pride in public service and historical preservation. He was involved in many aspects of historical preservation. He served on many local and state foundations and organizational boards for preservation, as well as the National Trust for Historic Preservation. In his home community of El Dorado. He was a member of the First Presbyterian Church of El Dorado, where he had served as both Deacon and Elder.

Cook was a member of the El Dorado Kiwanis Club, having served as president in 1988-89 and 2019-20, and treasurer for over ten years. Other community service included the KBSA Advisory Board and the Union County Community Foundation Board. Cook proudly served on the Arkansas Alumni Association, Inc board of directors from 2009 to 2012.

Cook was a graduate of Castle Heights Military Academy in Lebanon, Tennessee, and the University of Arkansas at Fayetteville.



A visitation and memorial service was held on November 23rd at the First Presbyterian Church of El Dorado, with private interment services held at Woodlawn Cemetery in El Dorado, Arkansas.

Online condolences may be expressed here: <https://www.dignitymemorial.com/obituaries/el-dorado-ar/william-cook-9909778>

Memorials may be made to the Arkansas Community Foundation for the William L. Cook II, Historic Preservation Fund to benefit historic preservation throughout the state. Donations can be made online or by mail at ACF, 5 Allied Drive, Suite 51110, Little Rock, AR 72202. Memorials may also be made to the ARCPA Student Education Fund, 11300 Executive Center Dr, Little Rock, AR 72211.

Dr. James Modisette, Former Accounting Department Chair, Remembered



Photo and Story from UA News, news.uark.edu.

James P. Modisette, former chair of the accounting department who had a 33-year career at the University of Arkansas, died Tuesday, Nov. 3, in Fayetteville. He was 88. “Dr. Modisette’s 33 years of service to the university instrumentally impacted the accounting profession in Arkansas,” said Gary Peters, chair of the William Dillard Department of Accounting at the Sam M. Walton College of Business at the U of A. “His tenure with the university is an example of the impact that the university has on the Arkansas community.”

Modisette joined the accounting department in 1963 as an assistant professor. He succeeded Nolan Williams as department head in 1971 and served until 1985. Under Modisette’s leadership, the department instituted many professional activities, such as conducting professional development courses in Arkansas and throughout the nation in both public and private accounting and holding a review program for the CPA examination.

He established the master’s degree program in accounting to meet the growing demands of professional practice, and in 1985, the department’s undergraduate and master’s programs became the first accounting programs in the state of Arkansas to be accredited by AACSB. He retired in 1996. An announcement of his retirement in the accounting department newsletter at the time noted: “His memory still astounds students and alumni (he can usually tell you not only when you were in his class, but where you sat!) and his ‘sayings’ are legendary.”

The James P. Modisette Endowed Scholarship Fund awards a scholarship each year to support an outstanding accounting student entering the senior year at the Walton College.

According to his obituary, Modisette was the youngest of four children of the late Clarence and Lillie McCall Modisette. He was born Dec. 6, 1931, in south Arkansas and attended Mt. Holly public schools as well as Green’s Business School in El Dorado.

He worked as an office manager on construction jobs in Arkansas and Louisiana and served in the United State Army. He attended Southern Arkansas University, the University of Mississippi and Louisiana State University where he taught part time while earning a Ph.D. in accounting.

Omicron Delta Kappa, the National Leadership Honor Society, recognized him with the Outstanding Teaching Award, and he received the Outstanding Advising Award from the College of Business Administration. Beta Alpha Psi, the international organization for financial information students and professionals, gave him the Outstanding Faculty Award, and he was an active member of Beta Gamma Sigma, which honors academic achievement in the study of business. The Arkansas Society of CPAs recognized him for the many years he spent teaching courses in continuing professional education.

His obituary said, “Based on his tutelage of so many business leaders, it has been said that James Modisette may have had as much influence over Arkansas CEOs and executives as anyone in the state’s history.”

Jim is survived by his wife, Diane, of 56 years; two children: Amy Weyman (Scott) of Evanston, Illinois, and Mark Modisette (Debra) of Fayetteville; and three grandchildren: Jackson, and twins Eliza and Ben Weyman also of Evanston.

A private service was held on Monday, Nov. 9. Memorials may be made to Central United Methodist Church, P.O. Box 1106, Fayetteville, Arkansas, 72702.

2020-21 ARCPA Leadership Guide & Yearbook Now Available

The Leadership Guide and Yearbook is an informative resource for ARCPA Board Members, Chapters, and Committees. The publication contains information and a list of members serving in Leadership roles, Committees, and Chapters for the current year.

View or Download now: www.arcpa.org/publications

To request a printed copy of the booklet, please contact Robin Harris by email to rharris@arcpa.org.

Another Opportunity To Reserve Your Firm's .CPA Domain



The second timeframe window to reserve a .cpa domain is now open. Top-level .cpa web domains are restricted domains, available exclusively to the CPA profession. They reduce the risk of phishing and other security threats with a harder-to-spoof online identity. Firms can apply first-come, first-served through Jan 14, 2021.

A service of AICPA and CPA.com

Recognizing New Members

The Arkansas Society of CPAs welcomes the following new members, effective November 1, 2020. 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

Jennifer J. Auffert, Arkansas Insurance Department, Little Rock (Central Chapter)
Reinhold F. Dudeck III, Dudeck Law Firm, Conway (Central Chapter)
Kayla Easley, Hudson Cisne & Company LLP, Little Rock (Central Chapter)
Sandra M. Purifoy, Pur Accounting Inc, Benton (Central Chapter)
Aaron Brock, Parks & Company PLC, El Dorado (South Chapter)
Dakota Hicks, Ozarks Electric Cooperative Corp, Fayetteville (Northwest Chapter)
Nikki Nottingham, Jones & Company Ltd, Jonesboro (Northeast Chapter)

Associate Members

Lisa Engen, S F Fiser & Company CPAs, Springdale (Northwest Chapter)
Caleb J. Kingsley, BKD LLP, Little Rock (Central Chapter)
Jalin L. Parry, BKD LLP, Little Rock (Central Chapter)
Charles K. Smith III, EGP PLLC, North Little Rock (Central Chapter)
Madeline E. West, BKD LLP, Little Rock (Central Chapter)

Student Members

Hailey B. Fike, University of Arkansas Monticello (South Chapter)
Lennin Gonzalez, University of Arkansas Monticello (South Chapter)
Jake T. Harris, University of Arkansas Monticello (South Chapter)
Heather R. Henley, University of Arkansas Monticello (South Chapter)
Jay L. Hill, University of Arkansas Monticello (South Chapter)
Andres Magana, University of Arkansas Monticello (South Chapter)
Ruby Martinez, University of Arkansas Fayetteville (Northwest Chapter)
Rachel Shirley, University of Arkansas Monticello (South Chapter)
Katelyn West, University of Arkansas Monticello (South Chapter)

Available for Part-Time Work, or Need Assistance?

**ARCPA Part-Time Assistance Program
Available to Members & Firms**

The ARCPA Part-Time Assistance Program is designed to help CPA Firms announce their availability for seasonal employment opportunities during tax season, and also to put CPAs looking for part-time work in touch with these firms.

From the responses, ARCPA will compile a list of the names, addresses and telephone numbers of potential part-time employees and send it to the firms that have requested assistance. A list of firms requesting assistance will be sent to the CPAs interested in part-time work.

ARCPA will not attempt to match experience with need, and will not become involved in any negotiations concerning hourly rates, compensation or benefits.

PART-TIME ASSISTANCE PROGRAM

Name _____

Employer / Firm _____

Address _____

City / State / Zip _____

Phone: Office _____

Cell or Home _____

Email _____

_____ I am interested in part-time or seasonal work with an accounting firm during the busy tax season.

_____ Our Firm is interested in receiving the names of CPAs who are interested in part-time tax season work.

Completed forms should be returned by **December 11, 2020** to:

Arkansas Society of CPAs
Attn: Robin Harris
11300 Executive Center Drive
Little Rock, AR 72211-4352
Fax (501) 664-8320
Email rharris@arcpa.org

ARCPA Represented in 2020 *Arkansas Business* 250

Every year, *Arkansas Business* lists 250 of the state's most influential leaders shaping the way we live, learn, and do business in Arkansas. Congratulations to the following ARCPA members who were recently named to Arkansas' 250 Most Influential Leaders of 2020:



Price C. Gardner
Managing Partner
Friday Eldredge & Clark
Little Rock



Karen E. Garrett
Managing Partner
Hudson Cisne & Company LLP
Little Rock



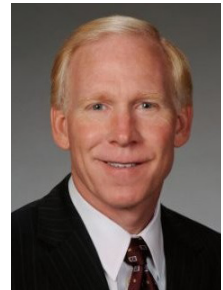
Gary D. Cooper
Managing Partner
Hogan Taylor LLP
Little Rock



W. Ryan Underwood
Managing Partner
BKD LLP
Little Rock



Malynda K. (Mindy) West
Executive VP, CFO, EVP of Fuels
Murphy USA
El Dorado



Gene H. Whisenhunt
President/COO
Hickingbotham Investments Inc
Little Rock



During this time when you're traveling less,
Arkansas PBS is here as your window to the world.

Your support brings the best in live concerts,
theater performances, historical discoveries
and excursions in The Natural State and beyond
directly to you in the comfort of your home.

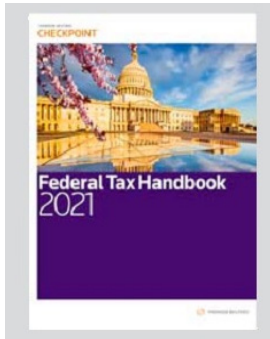
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Arkansas  PBS

2021 RIA FEDERAL TAX HANDBOOK
Special Pricing for ARCPA Members

\$55 per Copy



Order your copy and Save over 55% off the retail price!

(Retail cost \$126.00)

Limited quantity available.

Softcover printed book

The **RIA Federal Tax Handbook, 2021 Edition** will help in preparing 2020 federal income tax returns and provide specific guidance to tax consequences of transactions. The RIA Federal Tax Handbook will reflect all tax laws enacted up to the time of its publication late this year.

For late or yet-to-be-enacted legislation that may affect current and future tax years after you receive your Handbook, go to: ria.thomsonreuters.com/federaltaxhandbook

Order your RIA Federal Tax Handbook through ARCPA.

2021 RIA FEDERAL TAX HANDBOOK ORDER FORM

Name _____

Firm/Company _____

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4 Steps to take your tax practice to the next level before 2021

By Deborah Meyer, CPA/PFS, Family Wealth Manager and CEO

This year has been a whirlwind. I'm sure that the extended April 15 filing deadline, the payment deadlines and helping clients navigate PPP funding have kept you busy. Like me, you're probably just catching your breath. When you're ready, why not take a moment to reflect on the year you've had and consider your goals for your practice. Have you spoken with clients about their retirement or estate plans? Now might be the time to proactively and more formally incorporate financial planning into your tax practice—and begin identifying yourself as a CPA financial planner. Here are four steps you can take to get started:

CREATE A ROAD MAP.

When you set out on a trip, you plug the destination into your GPS and review the directions. The same goes here. Where do you want to go and how will you get there? The Roadmap to developing a tax & financial planning business is a great resource to help you get off to a strong start. It lays out key priorities to consider, such as selecting a business model and examples of specific financial planning activities you can offer your clients. CPAs who have transitioned from tax to financial planning created a 10-part podcast series that's ideal if you prefer to learn on the go.

HONE YOUR SKILLS.

Before year-end, make time for learning. You have many options, so pick what speaks to you, whether that's attending webcasts on recent legislative changes or taking courses on year-end planning. The coursework associated with the Personal Financial Specialist (PFS) credential, including the Personal Financial Planning (PFP) certificate program, provides a comprehensive and strong foundation. I recommend it. An added benefit is that they can help you reach your CPE requirements for the year.

ENGAGE IN HOLISTIC CLIENT CONVERSATIONS.

Proactively talk with clients regularly. It's amazing what you'll uncover if you ask probing questions that often lead to new ways you can support them. There's a webcast Nov. 10 (free CPE for PFP Section members) on post-election year-end planning that will illustrate actionable planning ideas you can put into practice to help clients before the year ends. Even if you consider yourself a tax specialist, you can advise clients in areas beyond tax.



You'll help your clients navigate challenges while further illustrating your role as their trusted adviser. You don't have to have all the knowledge as long as you have a network of peers who can offer expertise. Your clients will appreciate that you're coordinating all activities relating to their finances.

EXPLORE FINANCIAL PLANNING SOFTWARE

You may want to consider investing in additional tools to help you. While there are several types of software available, I find it helpful to focus on two: financial planning software and client relationship management (CRM) software. The former helps manage your client's financials and has a client-facing interface while the latter helps you maintain relationships with clients and prospects. This guide, written by a CPA financial planner who offers both tax and financial planning services, lays out what you'll want to think through, and includes a checklist to get started.

Regardless of where you start, your clients will appreciate that you are expanding your offerings to serve their needs. They'll realize the benefits of having a trusted adviser who takes a comprehensive look at their finances. Take your practice to the next level and see the results these efforts bring to your practice.

Deborah Meyer, CPA/PFS, Family Wealth Manager and CEO, Worthynest. She has over 15 years of experience as a CPA financial planner. Her areas of technical expertise include business exit planning, entrepreneurship, charitable giving, college planning and tax strategies. Deb received the AICPA's Standing Ovation Award in 2018. Posted by AICPA Communications on Nov 05, 2020 in Guest Blogger, Personal Financial Planning

6 Ways to help staff get through the CPA exam process

By Jessica L. Levin, Seven Degrees LLC



The CPA Exam. What used to be a fundamental part of working in an accounting firm is now considered a polite suggestion by many new graduates. For those individuals who have a few years of experience under their belt, sitting down and studying can be even more of a challenge. Heavy workloads and family responsibilities often get in the way of pursuing the credential. Yes, I know you walked barefoot, uphill, in the snow to take your Exam. But times have changed, and firms need to adapt to recruit, retain and advance CPAs.

The good news, there are ways that firms can help their staff earn those coveted three letters and be the hero of their dreams. Here are some practical ways to support CPA candidates throughout the process:

REVIEW COURSES GET RESULTS.

Taking a review course is proven to increase the chances that a candidate will pass the Exam, but it comes with a price tag. The average review course is \$1,500, and shelling upwards of \$3,000 for a high-end course can be a burden — especially for those already managing a mountain of student loan debt. Providing financial assistance demonstrates support and reduces one of the obstacles associated with becoming a CPA. Worried that they might leave once they pass? Create

a written agreement that they are responsible for the course fees if they leave within a specific time frame. ARCPA has discount arrangements with several reputable providers that provide study materials in multiple formats. Visit <https://www.arcpa.org/become-a-cpa/cpa-exam-review-discounts>

MANUFACTURE TIME.

The billable hour is so ingrained in CPA firm culture that it can be hard to ignore. The mere thought of pulling a new hire off an engagement to study is enough to cause a cold sweat for some firm leaders. It's hard enough to find employees, and now you want me to pay them to study? Yes, that's precisely it. Law firms often bring on recruits and assign them one job — study for the bar exam. There is no reason why CPA firms cannot do the same. Especially in a competitive market, you can quickly become an employer of choice by taking the stress away from finding time to study. Get creative with this.

The ARCPA estimates that passing all four parts of the CPA Exam requires 300 to 400 hours of study, so firms should determine how much time they are willing to provide to staff members. Whether it's one hour a day or one day a week, build a plan that can work for everyone. Make sure to create a code in your time and billing system so they can get credit for their time.

ENCOURAGE STUDY GROUPS.

Beyond a review course, create opportunities for people to study together. Some firms even bring in a review course instructor if they have enough candidates. A nice added touch is to provide healthy study snacks and a quiet room where candidates can gather without interruption.

BE A TUTOR.

One of the best ways to develop a rapport with new team members is to share knowledge. Have senior staff members and firm leadership take turns tutoring, going over practice questions or just sharing tips on how they passed the Exam. Keep it real, and don't forget to include funny stories and anecdotes that remind them that it's not easy for anyone.

CELEBRATE SUCCESS.

With four parts to the Exam and the actual licensure, there are at least five opportunities to recognize team members. Share the news internally and/or send them a congratulations card; acknowledgment goes a long way.

COMMUNICATE EXPECTATIONS.

Being very clear about time frames, support and compensation during the recruiting process can go a long way. For current staffers who have yet to pass one or more parts of the Exam, take the time to explain how it can help or hurt their career. Explain the correlations between bonuses and salary increases and passing the exam.

Firm leaders need to recognize that supporting staff during the CPA Exam process is an investment. Like any investment, there is a cost and a return. In this instance, you are attracting and keeping talent while potentially gaining another licensed professional.

Jessica L. Levin, MBA, CMP, CAE, is president and chief connector of Seven Degrees, LLC, specializing in marketing, public relations, events, and technology. Reprinted with permission of the New Jersey Society of CPAs, www.njcpa.org

ARCPA to hold leadership program in 2021

Professionals in Arkansas have options when it comes to leadership programs offered around the state, but none are geared specifically toward the accounting profession. The ARCPA Board of Directors voted unanimously in 2018 to make an investment in ARCPA's future leaders by launching a leadership academy of our own, similar to what other state societies around the country offer. This biennial program called LEAD: Leadership Exploration and Development launched in June 2019, with 14 society emerging leaders graduating later that year.

LEAD is intended to:

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

ARCPA's second leadership academy kicks off June 2-4, 2021 at Hotel Hot Springs in downtown Hot Springs, Arkansas, followed by two half-day sessions later in the year. Twelve participants will be selected through an application process.

Based on 2019 participant reviews, ARCPA will bring back Dan Griffiths of Tanner, LLC in Salt Lake City, UT to lead the June 2021 retreat. Dan is a CPA, a graduate of the ARCPA Leadership Academy, is a past member of the ARCPA Board of Directors, and he facilitates other state society leadership programs, as well.

LEAD is open to ARCPA members, ages 25-35, or those who have been in the profession less than 10 years, are a licensed CPA, and have the full support of their employer. To download an application, visit <https://www.arcpa.org/news-and-resources/articles/63:applications-open-for-arcpa-lead-program>



WHY YOU SHOULD APPLY TO LEAD 2021

- "It's a chance to get involved with other CPAs in the state."
"Forming new relationships."
- "A great experience to connect with other CPAs outside my area of accounting and to learn from others."
- "A grouping of CPAs interested in continuous growth of self, CPA, and society. Materials are highly applicable and easy to participate, despite difficulties of the topics at times."
- "Learning my strengths was particularly interesting, finding out how to leverage them to my benefit was interesting."
- "Learning about our strengths and how to leverage them, and how or where we might apply our strengths in excess. From the materials: "The strength that got you to where you are today could be the same thing that is keeping you from growing and getting where you want to be."
- "I enjoyed the thought bridging. 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."

Submit completed application and other required documents to leadapplication@arcpa.org

Members who are selected to attend LEAD will pay a participant fee of \$600.

Deadline to apply - January 31, 2021



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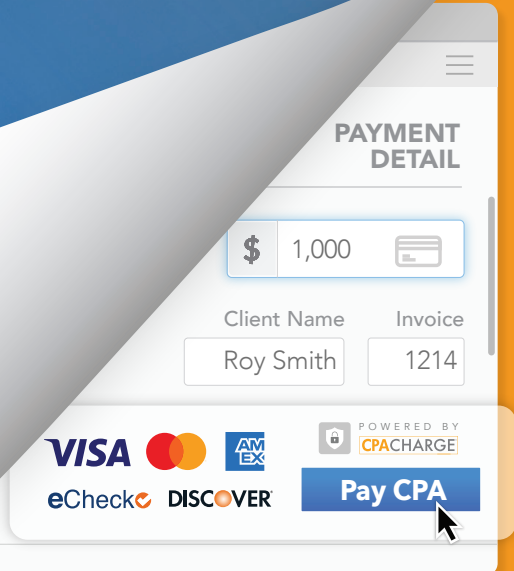
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Unintended consequences of professional referrals

By Sarah Beckett Ference, CPA.

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Article originally printed in Journal of Accountancy, November 1, 2020

Regardless of the digitization and virtualization of how business is conducted and how people connect, a fundamental truism for all CPA firms is that relationships matter. Client service, respect, and trust are hallmarks of the profession, so it's no surprise that when a client asks for assistance and advice, the gut instinct is to help. Indeed, the views of a CPA are held in such high regard that clients ask for the CPA's recommendations to other professionals, such as attorneys, financial planners, insurance agents, valuation experts, and more. A CPA may also be asked for referrals when a client seeks to fill an open position within its organization.

However, professional referrals may expose the CPA to potential liability for negligence. The CPA's referral to another professional is perceived as an endorsement of that individual's capabilities. If the recommended professional reveals himself or herself to be incompetent or a fraudster, the CPA may be blamed for the client's loss or, at the very least, suffer damage to the client relationship. Consider the following:

A client asked his CPA for a recommendation to fill an open assistant controller position. A partner at the firm recommended one of the firm's senior associates whose performance did not meet the firm's requirements for advancement. The partner thought that the employee might perform better in a different environment. Attempting to kill two birds with one stone, she praised the senior associate's potential in a subsequent conversation with the client. The client acted on the partner's advice and hired the firm's employee. The partner's praise soon proved false when the senior associate failed to file the client's payroll tax returns and to remit payroll taxes. The client was assessed significant penalties as a result and brought suit against the partner and the firm, asserting the partner had misrepresented the senior associate's qualifications, indicating they would not have hired him but for her glowing recommendation.

During discovery, internal firm emails from the partner and others revealed their true thoughts about the senior associate's performance, questioning how he was able



to pass the CPA Exam, noting that his workpapers were unintelligible and lacked a grasp of basic common sense, and lamenting his inability to meet deadlines. In addition, the client's recollection of the conversation about the senior associate differed from that of the partner. The CPA firm ultimately settled with the client for a small amount but lost the overall client relationship and the significant fees that went with it.

Of course, the easiest way to avoid being blamed for the actions of someone else is to decline to provide a client with any referrals. However, this approach is not particularly practical nor is it in the spirit of good client service. Instead, follow these tips to help mitigate the risk of a claim alleging a negligent referral.

DO SOME DUE DILIGENCE

A client will likely expect a CPA to have some basis for recommendations made. Therefore, conduct a limited investigation of a professional's background, training, experience, reputation, professional credentials, and/or licensing before making the referral. The depth of the investigation should be reasonable given the circumstance. What is considered "reasonable" varies with the CPA's familiarity with the recommended professional's field. More will be expected with respect to financial professions such as financial planners or other CPAs. Less will be expected when the referral relates to unrelated professions such as attorneys or architects. In many cases, simply verifying that the other professional has an appropriate license, conducting a simple internet search to identify complaints or negative news, and gaining a high-level understanding of the quality of their work may suffice.

PROVIDE OPTIONS

When asked for a referral, provide choices from which to select rather than recommending only one option. This protocol helps the firm minimize its potential risk. Providing multiple options, and doing so in alphabetical order, also helps ensure the firm is not implicitly endorsing the qualifications of one professional over all others. In addition, provide referrals to individual service providers rather than to the entities for which they work.

SET EXPECTATIONS

Include a disclaimer that clarifies the nature of the referral and articulates the responsibilities (or lack thereof) of the client and the CPA. A disclaimer is a valuable tool in communicating to the client both the basis of the referral and that the accountant will not be supervising the work of the recommended party. Such a disclaimer may be worded as follows:

You have requested that we provide you with a referral to other professional advisers to assist you with your professional needs. This provision clarifies the nature and limitations of the referrals of other professionals we are making to you. We have conducted a reasonable inquiry into whether the professionals are licensed but have undertaken no further investigation, including review of work products or inquiries, regarding the quality of the services provided by referred professionals. We will not supervise or monitor a referred professional's performance of services for you in any manner. We assume no responsibility for a referred professional's work product.

You are responsible for evaluating, selecting, and retaining any professional and determining whether their services will meet your needs. You acknowledge that there is always a risk that a referred professional will act negligently or fraudulently and agree to hold us harmless in that event.

PUT IT IN WRITING

Even the sharpest of minds can have fuzzy memories when disputes arise. To help avoid differences in recollections, provide referrals to other professionals in writing. In addition to being a handy solution to the fuzzy memory problem, providing documented referrals allows for the inclusion of the disclaimer language described above.

For efficiency, consider prepopulated referral sheets by profession similar to what a pediatrician might provide to his or her patients for referrals to pediatric therapists, dentists, optometrists, and other specialties. Be sure to regularly review each professional's qualifications to ensure their inclusion on any list you may provide remains appropriate.

ANYTHING ELSE?

The "Commissions and Referral Fees Rule" (ET §1.520.001) of the AICPA Code of Professional Conduct provides guidance to members regarding commissions or referral fees received for the referral of products and services to clients. The rule prohibits the receipt of commissions when the referral is made to a client for which specific attest services are delivered.

If the CPA receives a permitted referral fee from the referred professional or a commission, it must be disclosed to the client in writing. Finally, be sure to consider how the receipt of any commission or referral fee might be perceived in the event of a future claim.

Sarah Beckett Ference, CPA, is a risk control director at CNA. For more information about this article, contact specialtyriskcontrol@cna.com.

Continental Casualty Company, one of the CNA insurance companies, is the underwriter of the AICPA Professional Liability Insurance Program. Aon Insurance Services, the National Program Administrator for the AICPA Professional Liability Program, is available at 800-221-3023 or visit cpai.com.

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By Alexandra Rodery Rouse, J.D., M.P.S.

Planned Giving Director, Arkansas Community Foundation

The largest grantmaker in the state, Arkansas Community Foundation is a statewide nonprofit organization that offers tools to help Arkansans protect, grow, and direct charitable dollars while learning more about community needs. The Community Foundation engages people, connects resources, and inspires solutions to build community. You understand your clients' charitable goals. We understand smart giving. Partnering with the Community Foundation, you stay in control of your client relationships while we provide the tools and resources to make the philanthropic process simple, flexible, and efficient.

As the holidays are upon us, giving is in the forefront of many of your clients' minds. As any nonprofit will tell you, it is always a good time to give, but the pandemic has made now an especially needed time for it. To encourage that giving, Congress included a provision in the Coronavirus Aid, Relief, and Economic Security (CARES) Act, P.L. 116-136, signed into law on March 27, 2020, to provide some relief for charitable organizations. The benefit for you and your clients? Taxpayers can receive a bigger impact for their charitable giving if they do it before the end of 2020.

1) Clients who take the standard deduction can claim a reduction in adjusted gross income for charitable contributions up to \$300 per taxpayer filing unit (see "The Boundaries of Qualified Giving" for restrictions).

2) Clients who itemize deductions can elect to deduct donations up to 100% of their 2020 adjusted gross income instead of being capped at 60%. For corporations, the CARES Act increased the cap from 10% to 25% of taxable income. (See below for qualifying information.)

3) For many clients, the waiver of the Required Minimum Distribution for 2020 could create an economic incentive to redirect tax savings to charitable giving.

The Boundaries of Qualified Giving

A qualified charitable contribution for purposes of Sec. 62(a)(22) is a charitable contribution (as defined in Sec. 170(c)(Sec. 62(f)(2))) made in cash for any charitable purpose—not just contributions to charities related to the COVID-19 crisis—made directly to charitable organizations. Cash contributions are any contributions paid with "cash, check, electronic fund transfer, payroll deduction, etc." (IRS Publication 526, Charitable Contributions). A qualified charitable organization is any organization that qualifies as a public charity under Sec. 170(b)(1)(A) (Sec. 62(f)(2)(C)(i)). The contribution cannot be made to a supporting organization described in Sec. 509(a)(3), a family foundation, or to a donor-advised fund. At Arkansas Community Foundation, we can set up designated funds for charitable giving that will qualify for the tax incentives.

\$300 Above-the-Line Deduction

The U.S. wants to keep altruism contributing to communities' needs, so the CARES Act (Section 2104) permits eligible individuals who do not itemize deductions to deduct \$300 of qualified charitable contributions as an "above-the-line"

deduction, i.e., as an adjustment in determining adjusted gross income (AGI), for tax years beginning in 2020. The deduction reduces taxable income after the donor's AGI has been calculated. Because it is considered an above-the-line deduction, the IRS applies it when calculating AGI. So, your client can donate up to \$300 in cash to a qualified organization and have his or her AGI reduced by up to \$300 all while claiming the standard deduction.

100% of AGI Deduction

The CARES Act included a provision designed to encourage the nation's wealthiest taxpayers to increase their charitable giving during the COVID-19 pandemic. The Tax Cuts and Jobs Act (TCJA) had capped the deduction for cash contributions to public charities at 60% of a taxpayer's AGI, but the CARES Act raised that limit to public charities (other than those mentioned above) to 100% for 2020. For many philanthropically inclined individuals, the change provides an incentive to maximize qualifying charitable giving during this crisis year. Charitable contributions of more than 100% can be carried forward for five years subject to the 60% of AGI limit in those years.

Also, the limit on charitable deductions for corporations has increased. Under the CARES Act, a corporation's qualifying contributions, reduced by other contributions, can be as much as 25% of taxable income (previously 10% of modified taxable income).

Required Minimum Distribution Option

The CARES Act did not change the rules around the qualified charitable distribution (QCD), which allows individuals over 70½ years old to donate up to \$100,000 in IRA assets directly to charity annually, without taking the distribution into taxable income. However, under the CARES Act, an individual can elect to deduct 100% of their AGI for cash charitable contributions. This allows individuals over 59½ years old the benefits similar to a QCD—they can take a cash distribution from their IRA, contribute the cash to charity (through a fund with Arkansas Community Foundation, for example), and may completely offset tax attributable to the distribution by taking a charitable deduction in an amount up to 100% of their AGI for the tax year. If your clients are planning a large donation in 2020, this may be a smart strategy if they are between the ages of 59½ and 70½ and are not dependent on existing retirement funds.

Bringing it Together

Year-end giving is always important, but there is an urgent need to help our communities during the pandemic. Nonprofits play a critical role supporting communities, so the government has incentivized taxpayers to help meet the growing need. Funds created at Arkansas Community Foundation are designed to improve our communities and provide tax benefits for the donor. We are available to discuss the opportunities and the needs for you and your clients.

For any questions, or help with your client's charitable giving options, please contact Allie Rouse directly at arouse@arcf.org or 501-372-1116.

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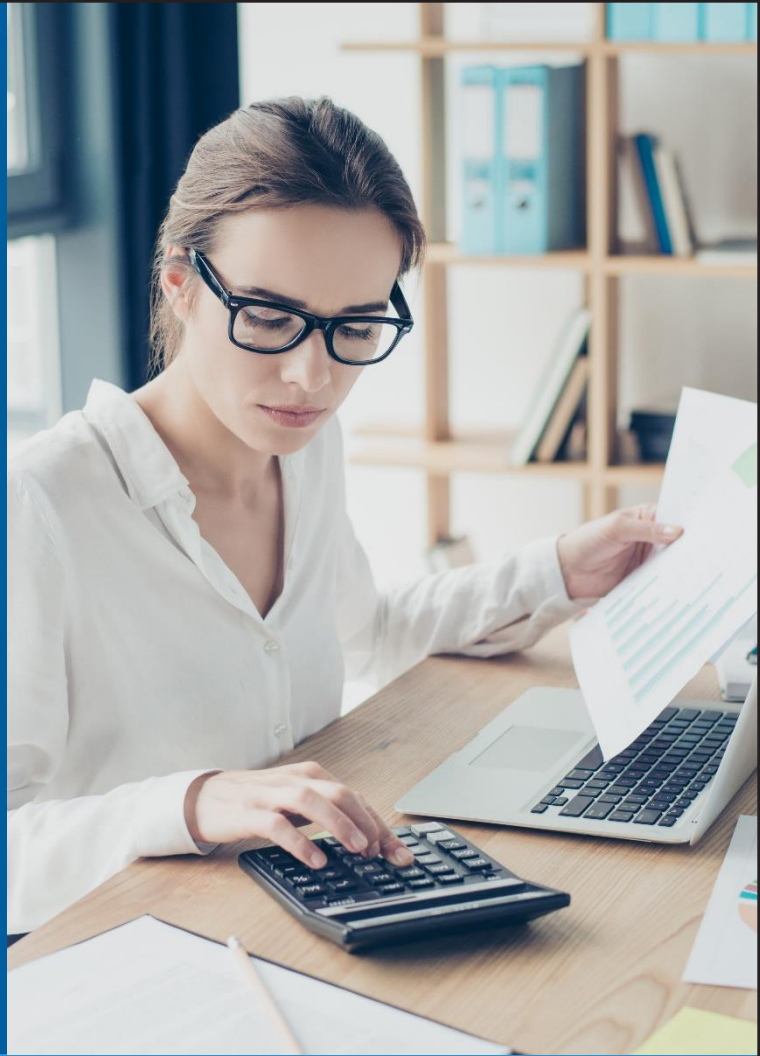
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