

THE NATURAL STATE OF ACCOUNTING



Issue 3/March 2023

Membership Renewal FAQ

**Annual Mac & Barbara Angel
Memorial Golf Tournament**

**Accounting Educators Conference
Wednesday May 17, 2023**



Arkansas Society of
Certified Public Accountants

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2023 MEMBERSHIP RENEWAL FAQs

Your ARCPA annual membership renewal statements will be emailed on April 3. Be sure to set your email security feature to accept any emails from the arcpa.org domain so you do not miss receiving your dues statement or other important information from the ARCPA. If you do not receive a dues statement by email or regular mail, please call the ARCPA Office as soon as possible. **Many firms are signed up for Firm Dues Billing. If you do not receive a dues statement, please check with your employer first,** as they may have received one statement for all members within the firm. Otherwise, call the ARCPA Office and a duplicate statement will be sent to you.

Prompt payments save the Society the cost of additional mailings and reaffirm that the Society leadership is continuing on a correct course of action that members strongly support. For special circumstances, call the ARCPA to arrange a payment plan.

Consider signing up for Automatic Dues Renewal. When paying dues online, you can opt into an automatic renewal feature and renew with your stored credit card on April 3. You will be notified by email ahead of payment processing that the card on file will be charged for the applicable dues. If the card on file has expired or payment fails, you will be notified by email to call the ARCPA Office to update your payment information, or pay manually online.

Following are some commonly asked questions and answers regarding payment procedures and membership classifications. If you have any other questions, please call ARCPA at (501) 664-8739 or toll free (800) 482-8739 in Arkansas.

What period does my renewal payment cover? The Society's fiscal year is April 1 through March 31.

When should I pay my annual dues? Dues are payable by April 30. Membership is considered delinquent and will be suspended 60 days after the April 3 billing date. A late fee of \$25 will be charged to reinstate a suspended membership. Any member who has not paid their annual dues by September 1 will be subject to membership termination.

Are my ARCPA annual dues tax deductible? Payment for the annual dues is not deductible as a charitable contribution for income tax purposes. It may, however, be deducted as ordinary and necessary business expenses.

What is the Student Education Fund, and am I obligated to pay the \$100 contribution? The Student Education Fund (SEF) is principally committed to awarding scholarships to Arkansas students attending Arkansas Colleges and Universities. The SEF is a non-profit organization, supported entirely by contributions, and gifts are tax deductible. Funds donated to the SEF are added to a perpetual corpus, and scholarships are granted based on the interest earned; however, you may designate your contribution directly to scholarships. The \$100.00 contribution is only a suggested amount and contributions are voluntary.

Does a percentage of my annual dues support a Political Action Committee (PAC), and am I obligated to pay the \$25 contribution? 3% of your annual dues payment is applied to ARCPA lobbying expenses, not to our PAC. The \$25 PAC contribution is only a suggested amount. Contributions are voluntary and are not tax-deductible. Funds raised by the ARCPA PAC are used to provide appropriate political contributions to elected officials of the Arkansas General Assembly. Contributions may be made by personal or company check, but no one individual or company may contribute more than \$5,000 in any given year.

I am retired. Is there a special membership category for me? Yes. Members may apply for "retired" status in the ARCPA who meet ALL the following requirements:

- Has been a full member for at least three (3) years preceding retirement application; and
- Are permanently retired from primary profession; and
- Are 60 years of age or older;

OR

- Are totally disabled and meet the regulations for drawing social security benefits; and
- Are in good standing with the ARCPA at the time of retirement.

I have been a member for many years. Is Life Membership available? Any member with 40+ consecutive years of membership (without any previous resignations or terminations) and is completed retired may apply for Life membership (subject to Board approval). Life members will not be required to pay any annual dues or assessments levied by the Society. Members with Life status prior to December 3, 2015, were grandfathered in and continue to remain a Life member. Members seeking Life membership after December 3, 2015, must complete the appropriate application.

What if I am retired from my profession, but do not meet all the above-mentioned requirements for retired status? The ARCPA has an "inactive-unemployed indefinitely" status for members who have left the workforce by choice for an indefinite period of time, i.e. early retirement, stay-home parents, etc., and do not meet all of the qualifications for "retired" status.

I am temporarily unemployed. Is there a special membership category for me? Yes. The "unemployed temporarily" status is designed for members living in Arkansas who are in between jobs and are currently seeking employment. Members may qualify for unemployed status for a period of up to one (1) year. Members who are unemployed for longer than the one-year period should take the "unemployed indefinitely" status.

I am a college/university Educator. Is there a special membership category for me? Yes. Full-time accounting Educators of Arkansas colleges and universities who agree to participate in a minimum of three ARCPA activities per year may apply for a free membership. The appropriate Educator application must be completed and submitted to the ARCPA Office in order to qualify for the complimentary membership. To apply, please go to <https://bit.ly/37hqTWZ>. Please do not fill out the online membership application for this free membership. Please contact Robin Harris at rharris@arcpa.org with any questions.



GOLF TOURNAMENT 2023

SAVE THE DATE

Arkansas Society of CPAs Annual Mac & Barbara Angel Memorial Golf Tournament Monday, May 22, 2023

Save the date for the Arkansas Society of CPAs Annual Mac & Barbara Angel Memorial Golf Tournament at Maumelle Country Club nearby Little Rock. We hope that you will invite your friends, clients, coworkers, and colleagues to play in this tournament. Returning as Co-Chairs will be Michael Pierce, of Landmark PLC, CPAs, and Taylor Stockemer, of Friday Eldredge & Clark.

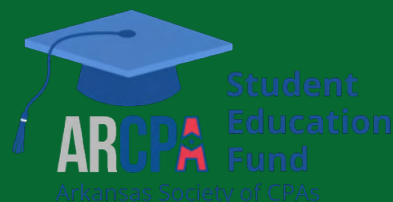
All proceeds benefit ARCPA Student Education Fund scholarships to accounting students in the state. Please watch for more information coming soon. We hope to see you there!

For more information, contact:

Robin Harris
ARCPA
501.664.8739
rharris@arcpa.org

Michael Pierce, Co-Chair
Landmark PLC, CPAs
501.210.7338
mpierce@landmarkcpas.com

Taylor Stockemer, Co-Chair
Friday, Eldredge & Clark, LLP
501.376.2011
tstockemer@fridayfirm.com



28TH MAC & BARBARA ANGEL MEMORIAL GOLF TOURNAMENT

Monday, May 22, 2023

Maumelle Country Club - Maumelle, AR

Players Lunch at 11:30 a.m.

Four Person Scramble Shotgun Start at 1:00 p.m.

*All net proceeds
awarded as
scholarships*



TEAM SPONSORSHIP OPPORTUNITIES

- ☐ **Presenting Sponsor \$5,000** (Two Team Entries, Full Page Ad in ARCPA Newsletter, Tee Box Sign, Company Name/Logo on all event promos, and customized promotional items)
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3. _____	_____	_____
4. _____	_____	_____

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- ☐ **All Mulligans for 4 person Team \$60.00** (12 per Team) Allows player an extra shot
- ☐ **All Blasters for 4 person Team \$20.00** (2 per Team) Allows player to hit from ladies' tee.

FRIENDS OF TOURNAMENT, EVENT & IN-KIND SPONSORSHIP OPPORTUNITIES

All sponsors will receive signage at the event and recognition in the ARCPA Newsletter

- ☐ **Tee Box \$500**
- ☐ **Hole in One \$500**
- ☐ **Putt for Dough \$500**
- ☐ **Long Drive \$500**
- ☐ **Closest to Pin \$500**
- ☐ **Beverage Cart \$500**
- ☐ **Friend of the Tournament \$_____ donation.** (Minimum suggested amount \$300)

- ☐ **Lunch**
- ☐ **Beers**
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Contact _____ Phone _____ Email _____

☐ INDIVIDUAL PLAYER REGISTRATION \$250

Player Name _____ Phone _____ Email _____

As always, we appreciate any form of support for this event. All net proceeds are awarded as scholarships to undergraduate and graduate accounting students in Arkansas, by ARCPA Student Education Fund a 501(c)3 corporation.

Payment Method: ☐ Check ☐ AMEX ☐ VISA ☐ MasterCard

Credit Card # _____ Exp. Date _____ Signature _____

For More Information Contact:

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AR Society of CPAs
(501) 664-8739
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Michael Pierce
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mpierce@landmarkcpas.com

Taylor Stockemer
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tstockemer@fridayfirm.com

Return This Form by May 8, 2023 to Receive Signage

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Register Online www.arcpa.org keyword search Golf

Week Six of the regular session has ended, with 808 bills and resolutions introduced to date. 77 bills have completed passage through both Houses to become Acts. Committee agendas are starting to pick up.

The introduction of Governor Sanders' education bill is expected to come out next week, but that is not for certain.

The deadline has expired for [Constitutional Amendments](#).

Bills of Interest

HB1397 by Rep. Eaves to **exempt payments received from the Restaurant Revitalization Fund from gross income for purposes of computing income tax.**

SB90 by Sen. Hill, the "Automatic and Expedited Occupational Licensure for Out-of-State Individuals Act" was **amended again this week.** We are told that professional occupations will not be affected by the bill, however, it is still uncertain whether CPA licensing is exempt under the provisions of this bill.

SB193 by Sen. Hill To Amend the Arkansas Occupational Licensing of Uniformed Service Members, Veterans, and Spouses Act Of 2021. This bill adds 'national certification' as a consideration toward occupational licensure requirements for active military veterans and spouses. **SB193 has cleared the Senate and received a Do Pass from the House Committee.**

SB185 by Sen. B. Johnson to amend the appointment procedure for the Tax Appeals Commission to provide for the filling of vacancies on the Commission. This is reportedly being done to avoid potential constitutional issues concerning the appointment process as occurred with the State Plant Board. **SB185 passed the Senate on Thursday and was referred to House Revenue and Tax Committee.**

HB1308 by Rep. L Fite and Sen. Hill to amend the law to provide for changes related to Arkansas Constitution Amendment 101. It provides the mechanism to provide continued highway funding by extending municipalities and counties the authority, with voter approval, to issue bonds payable from their share of two collections of the one-half percent (0.5%) sales and use tax levied under Arkansas Constitution Amendment 101, to continue to finance surface transportation projects. **Passed the House this week and given a DO PASS in City County and Local Affairs Committee on Thursday.**

Bills to reduce taxes continue to be held in committee until reductions in the income taxes are determined and the amount of money available to fund additional cuts are determined.

HB1003 by Rep. Mayberry to create various income tax

credits for beginning farmers and owners of agricultural assets. The beginning farmer would have to meet the definition of a beginning farmer as established by the Secretary including having a net worth of less than \$800,000.

HB1012 by Rep. Ray to double the standard deduction for income taxes.

HB1027 by Rep. Ray and Sen. Mark Johnson to require voter approval of certain tax levies.

HB1032 by Rep. L. Fite to increase the homestead exemption from \$375 to \$450.

HB1040 by Rep Ray and Sen. Dotson to Repeal the Arkansas Legal Insurance Act **is now Act 32.**

HB 1045 by Rep. Beaty, Sen. Gilmore, and Rep. Ray to enhance economic competitiveness by repealing the throwback rule. The State Chamber supports repealing the throwback rule. This is one of two bills introduced so far to address throwback.

HB1079 by Rep. Ray to reduce the top marginal tax rate for individual taxpayers from 4.9% to 4.5% effective January 1, 2023.

SB180 by Sen. Dotson to amend the law to adopt certain terms and requirements established by the Governmental Accounting Standards Board. **SB180 has been sent to the Governor.**

SB38 by Sen. Dotson to appeal the throwback rule. This is the other bill to address the throwback. There may be another coming before this is decided.

HB1152 by Rep. Vaught would create an income tax exemption for teachers for up to their first \$50,000 in earnings.

HRC1001 by Rep. Ray to urge Congress to permanently extend the Tax Cuts and Jobs Act of 2017. **Transmitted to the Governor's office.**

View current bills of interest that have been introduced so far: <https://www.billtrack50.com/public/stakeholderpage/HCNj1IMkdkqIWTjr4Os-mA>

LEGISLATIVE SESSION INFORMATION

To view schedules, calendars, bill information, and legislator information, click www.arkleg.state.ar.us.



LEGISLATIVE MESSAGE CENTER

House of Representatives: 501-682-6211

Senate: 501-682-2902

LIVE STREAMING FROM THE CAPITOL

Watch House and Senate committee meetings and floor sessions via livestream:

- House: <https://www.arkansashouse.org/>
- Senate: <http://www.arkansas.gov/senate/>

HAVE A VOICE IN THE ARKANSAS LEGISLATIVE PROCESS

Join the Legislative Contact Program

You can have a voice in the legislative process by becoming a member of the ARCPA Legislative Contact Program.

Many legislators do not have contacts at this time. Please complete and submit the online Legislative Contact Program Form to participate as a Legislative Contact.

[Sign up today!](#)

ARCPA POLITICAL ACTION COMMITTEE (PAC)

The ARCPA formed a Political Action Committee (PAC) in 2012 in order to make contributions to state candidates, ballot question committees, legislative question committees, or other political action committees as needed in order to advance the interest of the ARCPA membership, to raise the Society's profile with the General Assembly, and to help ARCPA engage legislators when issues arise that might affect the accounting profession.

ARCPA's PAC is supported entirely by contributions from individuals and firms, with a limit of \$5,000 per year per individual or company. ARCPA members are encouraged to get involved in the political process to make sure our voices are heard. Learn more or contribute today at <https://www.arcpa.org/contributions/pac>

Thank You!

Thank you members for joining us for our Legislative Appreciation Breakfast, held at the Capitol Hill Building on Wednesday, February 15th.



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ARCPA

11300 Executive Center Drive

Little Rock, AR 72211-4352

Email Robin Harris at rharris@arcpa.org

AICPA Delivers Compendium of Tax Proposals to Capitol Hill

Washington, D.C. (February 8, 2023) – The [American Institute of CPAs](#) (AICPA) has sent to members of the House Ways and Means Committee and Senate Finance Committee its [2023 Compendium of Tax Legislative Proposals – Simplification and Technical Proposals](#), which outlines AICPA’s positions on a number of legislative proposals that are directly related to changes to the tax rules and can be readily addressed.

The compendium includes items focused on improving tax administration, making the tax code fairer and effectively promoting important policy objectives. The proposals correct technical problems in the Internal Revenue Code or simplify existing provisions.

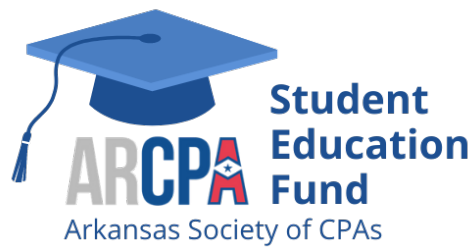
The 61 recommendations in the compendium include proposals related to employee benefits, individual income tax, international tax and tax administration, among others. Specific proposals address significant issues affecting businesses, taxpayers and their accounting representatives, such as the tax treatment for health insurance deductions for employees and self-employed individuals (pg. 27); reasonable cause exceptions to the section 6707A and 6662A penalties for all reportable transactions (pg. 41); refunds of any remaining minimum tax credits from the prior corporate alternative minimum tax (AMT) regime (pg. 130); and repeal of the Last-In, First-Out (LIFO) conformity rule (pg. 148).

“The AICPA’s Tax Compendium is a useful resource for Congress as it continues tax deliberations,” said AICPA vice president for tax policy and advocacy, Edward Karl, CPA, CGMA. “Many of these proposals are the types of enhancements lawmakers should consider as they continue to debate and update tax legislation. The compendium is comprehensive but will be supplemented by additional comments the AICPA will continue to provide throughout the legislative session.”

About the American Institute of CPAs

The American Institute of CPAs® (AICPA®) is the world’s largest member association representing the CPA profession, with more than 421,000 members in the United States and worldwide, and a history of serving the public interest since 1887. AICPA members represent many areas of practice, including business and industry, public practice, government, education and consulting. AICPA sets ethical standards for its members and U.S. auditing standards for private companies, not-for-profit organizations, and federal, state and local governments. It develops and grades the Uniform CPA Examination, offers specialized credentials, builds the pipeline of future talent and drives continuing education to advance the vitality, relevance and quality of the profession.

###



Thank you for your contributions! To the Arkansas Society of CPAs Student Education Fund

It is through generous member donations that the ARCPA Student Education Fund cannot only continue but also expand the scholarship program for accounting students in Arkansas. Your support of the Student Education Fund is vital to ensuring the future of the accounting profession in our state.

Contributions to the Student Education Fund are accepted anytime. No gift or pledge is too small. Your tax deductible donations will help fund the education of an outstanding Arkansas student majoring in accounting.

Please contact the Arkansas Society of CPAs at (800) 482-8739 in AR or (501) 664-8739 or visit www.arcpa.org/about/student-education-fund for more information. Contribute online www.arcpa.org/contributions/education or mail to ARCPA Student Education Fund, 11300 Executive Center Drive, Little Rock, AR 72211-4352.

Thank you to those who contributed to the Student Education Fund in 2022: *(contributions received January 1 through December 31, 2022)*

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**** We regret the list featured in the February 2023 publication was not an all-inclusive list of contributors for 2022. The list of names above includes those contributors who were previously omitted in error, who donated online or by mail.***

Member Makes Accounting Career Presentation



Noah Styles, a member of ARCPAs Emerging CPAs committee, visited the University of Arkansas at Monticello campus on Tuesday February 7, to speak with students in the Institute of Management Accountants society in the Babin business building. The event was hosted by accounting professor Becky Phillips who serves on multiple ARCPA committees. When asked about the experience Noah Styles mentioned "It is just a great opportunity to step back on to a college campus and encourage accounting majors to take a look toward the future and contemplate the options in front of them. Professor Phillips is doing a fantastic job at UAM and is a great encouragement to accounting students." Noah Styles suggests for other ARCPA members who have a connection to an accounting professor at an Arkansas

school, to contact him or the ECPAs committee, as the committee can offer members who are willing to volunteer their time and speak to local accounting society chapters.



Making a Careers Presentation to a School Group?

LET THE ARCPA HELP!

Have you been asked to make a careers presentation to a local school, class, or youth group? ARCPA can provide you with materials to make your presentation a success, including:

- A PowerPoint presentation that may be used as an outline when speaking to junior high or high school students.
- A PowerPoint presentation that may be used as an outline when speaking to college students.
- A flyer with a list of websites for resources and information about accounting careers and becoming a CPA which you may give to students and teachers.
- Booklets with information on careers for students.

You can help show students that accounting is a dynamic, exciting profession that offers limitless possibilities for career growth!

Please contact Robin at the ARCPA (501) 664-8739 or rharris@arcpa.org for more information or to request these materials be sent to you at least approximately two weeks before your presentation.



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Is your member information up to date?

Has your employment, mailing or email address changed? You can update your member profile through the ARCPA website at <https://www.arcpa.org/my-arcpa/profile>



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ARCPA Membership Value

As Arkansas's premier professional home for CPAs and accounting professionals, the mission of ARCPA is to promote and engage its members for growth and success through advocacy, education, networking, and mentorship. The annual membership renewal period is coming in April. Here are some of the ways YOU benefit from investing in ARCPA and continuing your membership with us.

ADVOCACY

ARCPA keeps you informed on legislative issues that impact you and the accounting profession. Consider getting more involved and letting your voice be heard by becoming a Legislative Key Contact.

EDUCATION

ARCPA provides a wide variety of course selections to meet all your educational needs, many of which are offered in virtual and hybrid formats, and at discounted member rates, including the annual IRS/DFA Liaison Meetings. ARCPA also offers one-hour **FREE** virtual CPE every quarter, and four hours of **FREE** CPE at the annual Leadership Conference. Look to ARCPA first for all your educational needs!

MEMBER ENGAGEMENT

ARCPA provides many ways for members to Connect – through local Chapter meetings, networking events at in-person conferences, committee meetings, and the online forum ARCPA Connect.

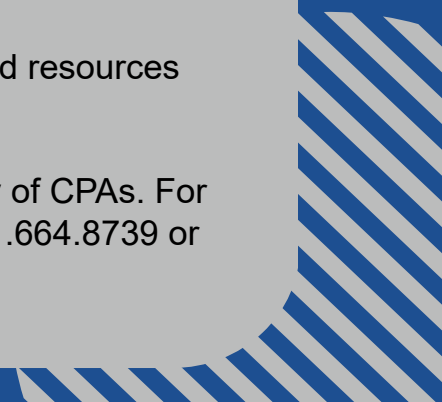
DISCOUNT PRODUCTS AND SERVICES

ARCPA has partnered with companies like CPA Charge, CCH, Paychex, RIA Tax Books, Standards Business Systems, UPS, and more to provide you with discounts on products and services you use every day.

NEWS AND RESOURCES

ARCPA makes sure you stay up to date on the latest news and resources related to the accounting profession.

Thank you for your continued support of the Arkansas Society of CPAs. For questions about your member benefits, contact ARCPA at 501.664.8739 or 800.482.8739 (in Arkansas); or at membership@arcpa.org



AR PBS SPORTS



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THURSDAY, MARCH 9

CLASS 4A GIRLS · NOON
CLASS 4A BOYS · 1:45 P.M.
CLASS 5A GIRLS · 6 P.M.
CLASS 5A BOYS · 7:45 P.M.

FRIDAY, MARCH 10

CLASS 6A GIRLS · NOON
CLASS 6A BOYS · 1:45 P.M.
CLASS 1A GIRLS · 6 P.M.
CLASS 1A BOYS · 7:45 P.M.

SATURDAY, MARCH 11

CLASS 2A GIRLS · 11:30 A.M.
CLASS 2A BOYS · 1:15 P.M.
CLASS 3A GIRLS · 6 P.M.
CLASS 3A BOYS · 7:45 P.M.

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MARCH 16 GOVERNOR'S ARTS AWARDS
MARCH 17 WINTHROP ROCKEFELLER
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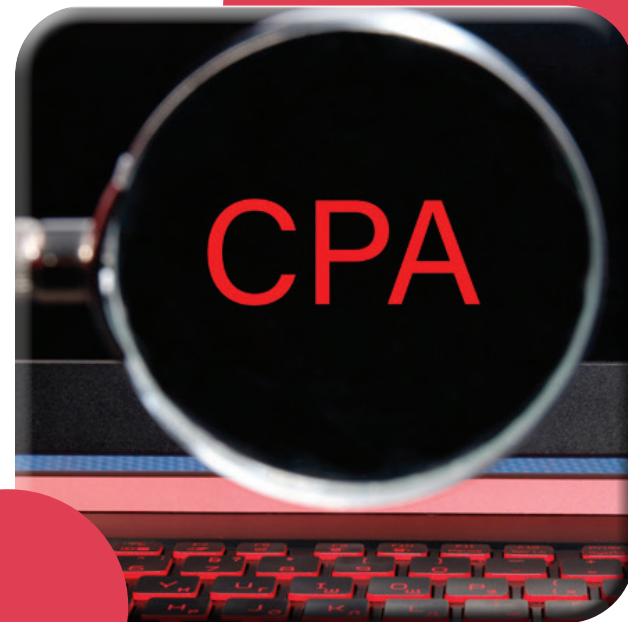
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The Arkansas Society of CPAs welcomes the following new members. Please take the time to welcome these members and invite them to society and chapter events.

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/>

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Colby G. Dixon, HCJ CPAs & Advisors PLLC, Jonesboro
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Rose Milnes, University of Arkansas, Little Rock
Mason Mitchell, University of Arkansas, Little Rock
Tho Nguyen, University of Arkansas, Little Rock
Chaz Reed, University of Arkansas, Little Rock
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Members on the move

HoganTaylor LLP Announces 2023 Promotions

Becca Hale, CPA, Senior Manager, Financial Management Services, Little Rock

Hale joined the Firm in 2018. She earned a bachelor's degree in accounting from Harding University.

Megan Vestal, CPA, Senior Manager, Assurance, Little Rock

Vestal joined the Firm in 2020. She earned a bachelor's degree in accounting and a Master of Accountancy from the University of Central Arkansas.

Stephanie Butcher, CPA, Manager, Financial Management Services, Little Rock

Butcher joined the Firm in 2019. She earned a bachelor's degree in accounting from Ouachita Baptist University.

J.F. Matros, CPA, Manager, Assurance, Little Rock

Matros joined the Firm in 2018. He earned a Bachelor of Business Administration in Accounting and Finance from Ouachita Baptist University.

Katie Smith, CPA, Manager, Assurance, Little Rock

Smith joined the Firm in 2018. She earned a Bachelor of Arts in Mass Communication and Accounting from Ouachita Baptist University.

Kevin Stanley, CPA, Tax Operations Manager, Tax, Little Rock

Stanley joined the firm through the merger with JPMS Cox in 2018. He earned a Bachelor of Business Administration in Accounting and a master's degree in business administration from the University of Central Arkansas.

Ellen Huckabay, CPA, Senior, Tax, Little Rock

Huckabay joined the Firm in 2019. She earned a bachelor's degree in business administration from the University of Central Arkansas and a master's degree in accounting from the University of Arkansas.

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Congratulations!

Congratulations to the following successful exam candidates for passing the CPA Exam from July 1, 2022 through December 31, 2022.

Taylor Avery, Bentonville
Zeitler Barfoot, Conway
Steffan Bonilla, Springdale
James Cauliflower, Jacksonville
*Joshua Cole, Roland
Maebre Curtis, Memphis
*Patrick Daniels, Dallas, TX
Vitaliy Davidovich, Ellington, CT
Harly Dearing, Rogers
Robert Dougan, Kansas City, MO
John Eaton, Marshall
Shelby Eddy, Sherwood
Mehrosh Fagan, Conway
Rusty Fontenot, Olive Branch, MS
Della Ford, Gassville
Drew Fougere, Columbia, MO
Jared Garner, Benton

Alexandra Gearhart, Dallas, TX
Dakota Gottlieb, Fayetteville
Thomas J. Hankins, Fort Smith
Ryan Hargrove, Rogers
Theresa Hermle, Cammack Village
Ezekiel Lampley, Little Rock
Ruby Martinez, Springdale
Brooke Mathews, Fayetteville
Katie McGuirt, Conway
Erin McNully, Beebe
Tessa Meeks, Rogers
Laura Minton, Fort Worth, TX
Robert Moore, Conway
Keshone Morley, Miami
Nhung Nguyen, North Little Rock
Carson Platt, Dallas, TX
Tristen Porter, Lowell

Isabelle Porter, Little Rock
Collin Prather, Little Rock
NaTashia Riley, Hope
Julia Rogers, Fayetteville
Allison Sammons, Brookland
Jason Schnepf, Alexander
Caroline Shelnutt, Benton
Bradley Shurley, Conway
Abigail Spinks, Siloam Springs
Aaron Townsend, Benton
Brooks Tuell, Fayetteville
Andrew West, Rogers
Jessie Whitten, Pottsville
Paige Williams, Little Rock
Jeffrey Worrell, Bentonville
Anna Yowell, Fayetteville

Congratulations to Arkansas' newest CPAs!

*Ariana Allard - Fort Smith
Zachary Ballard - Bella Vista
Steffan Bonilla - Springdale
Kyle Bruner - Little Rock
James Cauliflower - Jacksonville
Stephanie Cavadeas - Sobieski, WI
Benjamin Cooper - Chicago, IL
Julie Coston - Rogers
*Matthew Crenshaw - Bentonville
Maebre Curtis - Memphis, TN
*Chelsea Darby - Muldrow, OK
Vitaliy Davidovich - Ellington, CT
*Brittany Davis - Campbell, MO
Stephen Dudley - Bentonville
Mehrosh Fagan - Conway
Della Ford - Gassville
Zachary Fredricks - Fayetteville
*Jared Garner - Benton
Morgan Glover - Kennett, MO
Joseph Griffith - Benton
*Joel Gullledge - Hot Springs

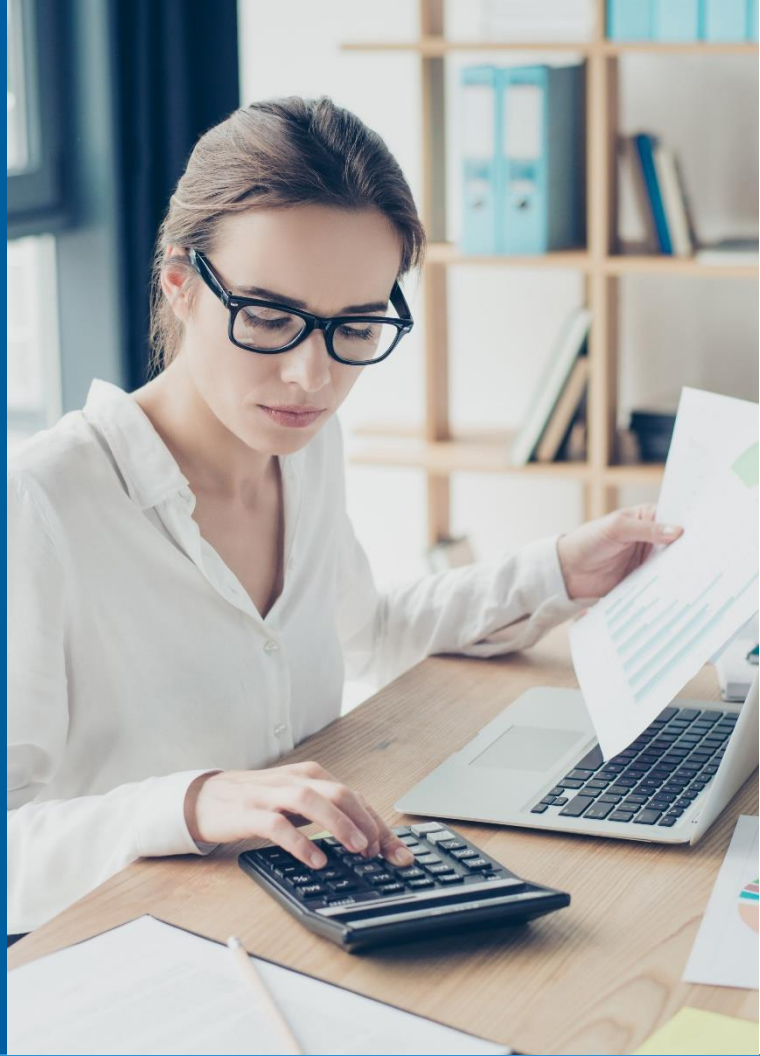
*Thomas Hankins - Fort Smith
Ryan Hargrove - Rogers
Theresa Hermle - Cammack Village
Noah Hernbeck - Bentonville
Jeannette Jacobe - Little Rock
*Ezekiel Lampley - Little Rock
*Brandon Locknar - Conway
Hannah Lukacs - Lowell
Andrea Maher - Sierra Vista, AZ
Jafet Malave-Davila - Centerton
Maxwell McCreary - Lowell
Chad McGonigal - Little Rock
Katie McGuirt - Conway
Erin McNully - Beebe
Robert Moore - Conway
*Nhung Nguyen - North Little Rock
Isabelle Porter - Little Rock
*Collin Prather - Little Rock
*NaTashia Rileydavis - Hope
*Blake Robinson - Fort Smith
*Naoko Rodriguez - Cabot

Allison Sammons - Brookland
*Jason Schnepf - Alexander
Ralston Schramm - Rogers
Bradley Shurley - Conway
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Mason Westphal - APO, AE
Sage White - Lowell
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Paige Williams - Little Rock
John Woods - Frisco
Jeffrey Worrell - Bentonville
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If you know any of these new CPAs that are not already members, encourage them to [join ARCPA](#), Arkansas' premier professional home for CPAs and accounting professionals, serving the profession with integrity.

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The clock is ticking...

CPA exam set to change in 2024



No two years in the accounting world are the same anymore.

As the tools, technologies, skills, and best practices evolve for the CPA profession, so, too, do the CPAs. It's that in mind that the AICPA and NASBA are adapting the CPA licensure model to recognize the evolving skills and competencies required of CPAs today and in the future.

Starting in January 2024, the CPA Exam changes to better reflect the needs of the profession moving forward. Don't fret, though. If you or any of your staff are currently sitting for the exam, there's time to complete it in time so you don't waste critical time and effort.

What is changing?

The new CPA licensure model requires CPA candidates to be skilled in accounting, auditing, and tax. These sections will remain as core, required subjects. Technology questions will be spread throughout these sections.

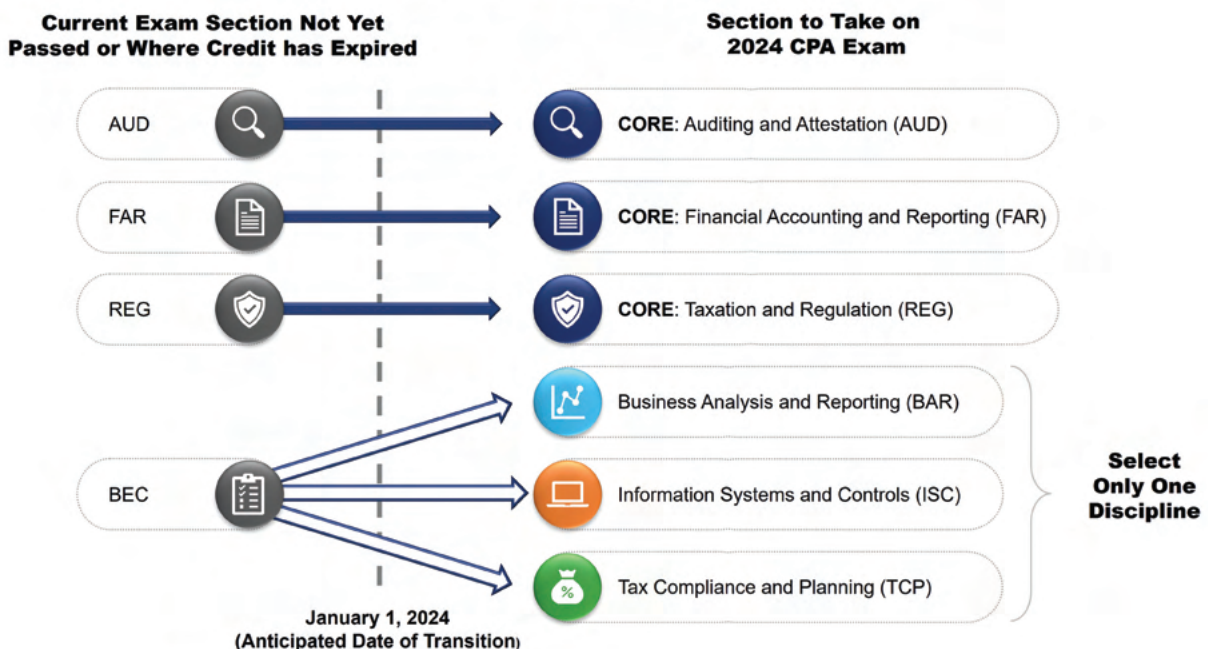
In addition to the core exam sections (accounting, auditing, and tax), CPA candidates will need to select and pass one of the following three discipline sections:

- **Business Analysis and Reporting (BAR)** – Assurance or advisory services, financial statement analysis and reporting, technical accounting, and financial and operations management
- **Information Systems and Controls (ISC)** – Assurance or advisory services related to business processes, information systems, information security and governance, and IT audits
- **Tax Compliance and Planning (TCP)** – Advanced individual and entity tax compliance.

Candidates who have credit for AUD, FAR, or REG on the current CPA exam **will not need** to take the corresponding new core section of AUD, FAR, or REG on the 2024 CPA exam. Candidates who have credit for BEC on the current CPA exam will not need to take any of the three discipline sections.

The exam transition strategy strives to make it as easy for candidates to migrate from portions of the old exam to the evolved exam. The CPA license issued will be the same regardless of the discipline the candidate passes.

CPA EXAM TRANSITION POLICY



When is it changing?

Like many changes, it's a process. The following are key dates to keep in mind in the coming year. Remember: New and sitting candidates can still complete the current iteration of the test.

Nov. 15, 2023: Final date to register for BEC

NASBA to cease processing Authorizations to Test and Notices to Schedule for BEC.

Nov. 22, 2023: Candidates can apply to sit for new exam sections

NASBA to begin processing Authorizations to Test and Notices to Schedule for BAR, ISC and TCP. Codes for AUD, FAR and REG will not change in 2024. Therefore, candidates can continue to apply for these sections and have their applications processed and approved. Testing blackout dates do apply, however.

Dec. 15, 2023: Final day of testing for all CPA exam sections

Candidates are not allowed to sit for the current CPA exam past this date.

Dec. 16, 2023–Jan. 9, 2024: CPA exam blackout dates; no testing allowed

This testing closure allows for IT systems to convert to new CPA exam sections.

How do you support staff and colleague?

Spread the word! For those who have already taken one or multiples parts of the exam, encourage them to complete (and pass) all four sections of the current exam to get ahead of the change. At the very least, make colleagues aware of the impending changes and how it may impact your firm or company and your potential CPA candidates in the future.

This article was originally published in the February/March 2023 issue of Footnote, the MNCPA's member magazine and is used with permission.



= CPA



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How the FTC Safeguards Rule may affect your CPA firm

By Karen Nakamura, CPA

February 1, 2023, *Journal of Accountancy*,

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Tax preparers are likely already familiar with IRS Publication 4557, Safeguarding Taxpayer Data, and its application to professionals who practice before the IRS or hold a preparer tax identification number. However, there is another rule that tax preparers might not think applies to them — the Federal Trade Commission’s (FTC’s) Standards for Safeguarding Customer Information (the Safeguards Rule). While the Safeguards Rule has been around for decades, CPA firms may not have given it more than a passing thought. However, the latest amendments to the Safeguards Rule may require firms to think differently.

BACKGROUND

Originally promulgated in 2002 pursuant to the Gramm-Leach-Bliley Act, P.L. 106-102, the Safeguards Rule obligates covered financial institutions to “develop, implement, and maintain” an information security program (ISP) that includes specific “administrative, technical, and physical safeguards” designed to protect customer information. The ISP must be in writing and “appropriate to the size and complexity of the [covered] financial institution, the nature and scope of its activities, and the sensitivity of any customer information at issue.”

In December 2021, the FTC amended the Safeguards Rule to expand its definition of a financial institution and to provide more concrete guidance regarding specific safeguards that covered financial institutions should have in place to help protect the security of customer information.

ARE CPA FIRMS REALLY FINANCIAL INSTITUTIONS?

The definition of “financial institution” is broader than one may think. Per the Safeguards Rule “an entity is a ‘financial institution’ if its business is engaging in an activity that is financial in nature or incidental to such financial activities.” Per federal regulations referenced in the Safeguards Rule, this includes any number of financial and investment advisory activities, including providing tax planning and preparation services to any person for personal, family, or household purposes.

WHAT DOES THE FTC SAFEGUARDS RULE REQUIRE?

The Safeguards Rule specifies certain elements that should be included in a covered financial institution’s ISP. Required ISP elements are as follows:

- Designate a qualified individual to implement and supervise the ISP. This person must have the requisite skill and experience to fulfill the role and may be a partner or employee of the firm or an outside service provider. If a service provider is used, the firm remains responsible and must identify a senior-level person to supervise the provider.
- Conduct a risk assessment to identify and inventory customer information, where it is stored, and foreseeable risks and threats to the “security, confidentiality, and integrity of [such] information.” The assessment must be in writing and updated periodically as operations change and as new threats to data security emerge.
- Design and implement the following specific safeguards to help control risks related to the security, confidentiality, and integrity of customer information:
- Implement access controls to determine and regularly reevaluate whether individuals’ access reflects legitimate business needs.
- Conduct a data inventory to identify all systems, devices, platforms, and personnel that access customer information and understand how information is collected, stored, and transmitted.
- Encrypt customer information in transit and when stored on your system.
- Assess internally developed and third-party applications used to store, access, or transmit customer information.
- Implement multifactor authentication to require at least two authentication factors for anyone accessing customer information.
- Securely dispose of customer information when it is no longer necessary for a legitimate business need or legal requirement.
- Build change management protocols into the ISP to anticipate and respond to changes in business, emerging threats, or lessons learned during risk assessments.
- Log user activity and monitor for unauthorized access of customer information.
- Test or otherwise monitor the effectiveness of safeguards, including continuous monitoring or periodic penetration testing and vulnerability assessments.
- Train personnel, as an ISP is only as strong as its weakest link.

- Select and monitor service providers to ensure they maintain appropriate safeguards to help protect customer information. Execute detailed contracts that specify security requirements and provide for monitoring and periodic reassessments of the service provider's suitability. Though System and Organization Controls (SOC) 2 reports are not specifically addressed by the regulations, consider obtaining one from the service provider. Among other things, a SOC 2 report provides assurance on the safeguards that a service provider has implemented to help protect customer information.
- Keep the ISP current and updated as the business and threat landscapes evolve.
- Develop a written incident response plan to guide the response and recovery following a security event.
- Require the qualified individual to report to the company's governing body at least annually regarding the company's compliance with its ISP.

EXCEPTIONS AVAILABLE

The Safeguards Rule provides an exception from certain requirements if the covered financial institution maintains customer information concerning fewer than 5,000 consumers. A consumer is defined in Section 314.2(b) (1) of the Safeguards Rule as "an individual who obtains or has obtained a financial product or service from the financial institution that is used primarily for personal, family, or household purposes, or that individual's legal representative." ISPs for such institutions need not address the following elements: risk assessment; testing and monitoring of safeguards; staff training; creating a written response plan; and reporting to the institution's governing body. In addition, only the following safeguards are required of covered financial intuitions that maintain customer information for less than 5,000 consumers: encryption of data in transit and at rest, multifactor authentication, and secure disposal of information.

When considering whether they fall below the 5,000-consumer threshold, firms should consider the number of consumers for which they and their affiliates or service providers handle or maintain records that contain nonpublic personal information.

That said, it is important not to get distracted by the existence of a threshold. All of the above elements outlined in the Safeguards Rule are relevant to help protect the security of customer information and are worthy of consideration by all sizes of CPA firms, regardless of the number of consumers for which customer information is maintained.

IMPLEMENTATION CONSIDERATIONS

Several provisions under the Safeguards Rule became

effective Jan. 9, 2022, while others were set to be operative on Dec. 9, 2022. However, on Nov. 15, 2022, the FTC announced that it was [extending by six months](#) the deadline for companies to comply with some of the Safeguards Rule's requirements, making June 9, 2023, the new deadline.

Without a doubt, the time, energy, and cost needed to comply with the Safeguards Rule will challenge many CPA firms, especially firms whose historical approach to protecting customer information has been more informal. It is important that CPA firms understand the data they collect from their clients and how that data is transmitted, stored, maintained, and, ultimately, destroyed. Starting with this understanding can help firms identify where [data security safeguards are needed](#), regardless of whether the Safeguards Rule requires them.

When gaining this understanding, do not overlook the [activities of third-party service providers](#), including subcontractors and cloud-based providers, if customer information is shared with them.

Consult with your firm's IT provider regarding data security risks and legal counsel regarding the Safeguards Rule's application to your firm. Consider a specific cyber liability insurance policy. Most importantly, get an early start on your evaluation process so you are ready well before the implementation date.

Note: AICPA Tax Section members can access a Gramm-Leach-Bliley Act Information Security Plan Template.

Karen Nakamura, CPA, is a risk control consulting director at CNA. For more information about this article, contact specialtyriskcontrol@cna.com.

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Get ready for these 5 questions from clients on SECURE Act 2.0

American Institute of CPAs (AICPA)
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If you haven't fielded many questions from clients regarding SECURE Act 2.0, you will. That's because this new law – the second phase of the original SECURE Act passed in 2019 – introduces a host of new changes to popular retirement savings plans. The bill passed the House on 12/23/22 by a 225-201-1 vote after passing in the Senate and was signed into law by President Biden on 12/29/22. Small businesses in particular will be impacted most by the changes that result from this law, including:

- Significantly expanded credits for employer plan startup costs that make a strong financial case for small businesses to offer these plans
- Automatic enrollment into 401(k) and 403(b) plans for participants as they become eligible
- Increased required minimum distribution age, from 72 to 75, allowing employees to save for retirement longer
- More opportunities for individuals 50 and older to set aside greater savings as they approach retirement
- Improved coverage for part-time workers in 401(k) plans

These are just a few of the impacts that will be felt by small-business clients – the law is extensive, complex, and contains a host of changes that firms, and clients alike will be navigating for years to come.

As advisors to their clients, it's important for CPAs to have good answers to clients' questions on SECURE Act 2.0 from the start. That's why we've created this quick-reference guide to the questions you're likely to hear first, as clients begin to plan for the impact of this important law. Take a few moments to scan these questions and answers right now, because your next call could be from an uncertain client eager for your insights

How will this impact older employees who are nearer to retirement?

Employees nearing retirement age have a lot to gain from SECURE Act 2.0. In a nod to the fact that Americans are working longer, it increases the required minimum distribution age from age 72 to 73 in 2023 and to 75 in 2033 – three more years for employees to put their earnings into a plan, which means more time for it to grow through interest and potential investment gains.

Plus, employees who reach age 50 will be permitted to make "catch-up" contributions in excess of normal limits. In 2023, the limit on these contributions for a 401(k) plan is \$7,500. This will be increased to the greater of \$10,000 or 50 percent more than the regular catch-up amount in 2025 for individuals who have attained ages 60, 61, 62 and 63. (SIMPLE catch-up contribution limits would also increase.)

How will automatic enrollment actually work?

This provision requires that, beginning in 2025, all new 401(k) and 403(b) plans adopted by employers with 11 or more employees to automatically enroll participants in the plans once they're eligible – although employees can opt out if they so choose. The initial automatic enrollment amount is at least 3% but no more than 10% - each year after that, the amount must be increased by 1% until it reaches at least 10%, but not more than 15%.

There are exceptions to automatic enrollment for:

- Small businesses with 10 or fewer employees
- New businesses (that have been in business for less than 3 years)
- Church plans
- Governmental plans

What kind of incentives does this law create?

The most significant benefits will target plan startup costs. Beginning in 2023, the three-year small business startup credit is currently 50% of administrative costs, up to an annual cap of \$5,000. SECURE Act 2.0 increases the credit to 100% for employers with up to 50 employees.

Plus, there is an additional credit (except in the case of defined benefit plans) – generally a percentage of the amount contributed by the employer on behalf of employees, up to \$1,000 per employee. This credit is also limited to companies with no more than 100 employees but is reduced for employers with 51-100 employees. It operates on this schedule:

- 100% in the first and second years (first year is the year the plan is established)
- 75% in the third year
- 50% in the fourth year
- 25% in the fifth year
- No credits after the fifth year

Will SECURE Act 2.0 create new incentives for our existing plan?

Companies with existing plans will not benefit from these new incentives, which are reserved for those starting up new plans.

We have a lot of employees with student loans. How does this change our contributions on their behalf?

Many employees are overwhelmed with student debt, and as a result tend to miss out on their ability to benefit from matching contributions to their plans – because they're not making contributions at all, directing any "extra" income to student loan payments. Beginning in 2024, this provision allows employees to receive matching contributions by repaying their student loans. Basically, student loan payments are treated as plan contributions

for purposes of employer matching contributions. This is a big deal for those employees, and an attractive benefit employers can offer for recruiting and retaining them.

* * *

Like many important new laws, SECURE Act 2.0 is complex and packed with rules and details – far more than we've covered in this short article, where we've only covered some of the highlights. There are a number of other compelling benefits and advantages for small-business clients in this law, and we will be discussing them in more detail in future publications.

In the meantime, if you have additional questions, please share them in the comments section below! We'll be monitoring to make sure all questions are answered.

ACCOUNTING EDUCATORS CONFERENCE

Annual

Wednesday, May 17, 2023

*Presented by Arkansas Society of Certified Public Accountants
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Sessions will include:

Data Analytics

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And More!

Watch for more details coming soon!

For more information contact Robin Harris rharris@arcpa.org

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2023 Conference Schedule

APRIL
27

Employee Benefit Plans Conference
Hybrid Event: ARCPA – Little Rock, AR

MAY
11

Leadership Conference
ARCPA – Little Rock, AR

JUNE
1-2

Technology Conference
Virtual Only

JUNE
22

EQUIP Conference
Hybrid Event: ARCPA – Little Rock, AR

JUL
16-20

AL/LA/OK/AR/FL Summer Education Conference
Lodge at Gulf State Park, Gulf Shores, AL

AUG
3-4

Accounting & Auditing Conference
Embassy Suites NWA, Rogers, AR

**AUG
31**

Governmental Accounting Conference

Hybrid Event: ARCPA – Little Rock, AR

**SEPT
21-22**

Industry Commerce & Banking Conference

Hybrid Event: ARCPA – Little Rock, AR

**OCT
26-27**

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**NOV
8**

Fraud Conference

Hybrid Event: ARCPA – Little Rock, AR

**NOV
16**

Agriculture Conference

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**DEC
7-8**

Arkansas Federal Tax Institute

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Questions? Please contact Stephanie Tanner at 501-664-8739 or stanner@arcpa.org.

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- To receive the group discount, all individuals must be registering for the same conference.
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- 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

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