



THE NATURAL STATE OF ACCOUNTING



Issue 10/October 2021

**Two Day Federal Tax Update:
Individuals, Corporations &
Partnerships
Oct 28-29**

**ARCPA Day of Service
Nov 12**

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Certified Public Accountants

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Tax Institute Conference
16 Hours CPE

Virtual
Event

November
4-5, 2021

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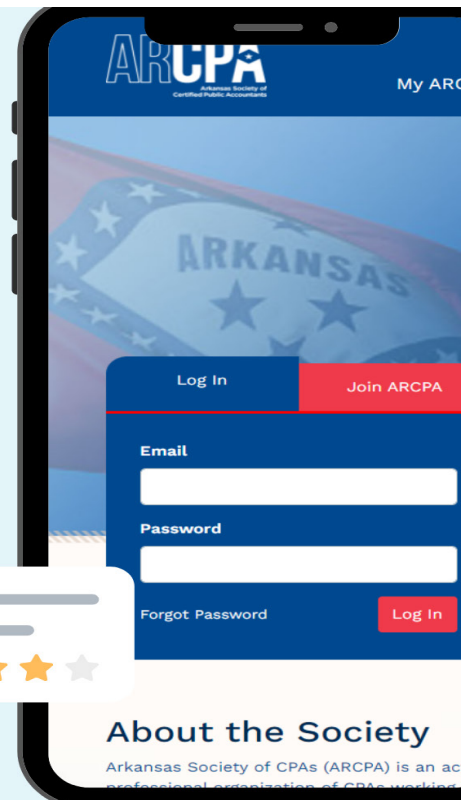
34 Tips For Working with First-Time Single Audit Clients



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ARCPA 2021 Conferences & CPE Events

Two-Day Federal Tax Update: Individuals, Corporations & Partnerships



October 28-29, 2021

Virtual Event
CPE Hours: 16

[Register Now](#)

Member Fees:

\$420 Early Fee
\$450 Standard Fee

Non-member Fees:

\$520 Early Fee
\$550 Standard Fee

(early fee expires 10/14/21)

Arkansas Federal Tax Institute

November 4-5, 2021

Virtual Event
CPE Hours: 16

[Register Now](#)

Member Fees:

\$220 Early Fee
\$250 Standard Fee

Non-member Fees:

\$320 Early Fee
\$350 Standard Fee

(early fee expires 10/21/21)

EQUIP Conference

November 10, 2021

Virtual Event
CPE Hours: 4

[Register Now](#)

Registration Fee: \$50

Fraud Conference

November 11, 2021

Virtual Event
CPE Hours: 8

[Register Now](#)

Member Fees:

\$225 Early Fee
\$255 Standard Fee

Non-member Fees:

\$325 Early Fee
\$355 Standard Fee

(early fee expires 10/28/21)

Agriculture Conference

November 17, 2021

Virtual Event
CPE Hours: 8

[Register Now](#)

Member Fees:

Fees:

\$250 Early Fee
\$280 Standard Fee

Non-member

\$350 Early Fee
\$380 Standard Fee

(early fee expires 11/03/21)

October-November Seminars

Date	Course Title (Acronym) of Study	Field CPE	Hours	Location	Early Bird Fee	Standard Fee
OCTOBER						
19	What Fraud Schemes Exist in Your Organization (FSEO)	AA	8	HYBRID	Member \$245** Non-member \$345**	Member \$275** Non-member \$375**
21	Social Security and Medicare: Planning for You and Your Clients (SSRB)	TX	8	VIRTUAL-ONLY	Member \$245 Non-member \$345	Member \$275 Non-member \$375
25	Leases: Mastering the New FASB Requirements (LEAS)	AA	8	VIRTUAL-ONLY	Member \$245** Non-member \$345**	Member \$275** Non-member \$375**
25	Be the Best - Today and in the Future Series (CFOS1)	AA:2	8	VIRTUAL-ONLY	Member \$265**	Member \$295**
26	Revenue Recognition: Mastering the New FASB Requirements (INRR)	AA	8	VIRTUAL-ONLY	Member \$245** Non-member \$345**	Member \$275** Non-member \$375**
26	Developing Credibility - Inside and Outside the Organization Series (CFOS2)	AA:2 OT:6	8	VIRTUAL-ONLY	Member \$265 Non-member \$365	Member \$295 Non-member \$395
28-29	Two-Day Federal Tax Update (FTU-2DY)	TX	16	VIRTUAL-ONLY	Member \$390 Non-member \$490	Member \$450 Non-member \$550
NOVEMBER						
2	Accounting and Auditing Update (8:30am-12:00pm) (CL4AUAA)	AA	4	VIRTUAL-ONLY	Member \$165 Non-member \$215	Member \$175 Non-member \$255
2	Conducting a Remote Audit (1:00pm-4:30pm) (CL4REMA)	AA	4	VIRTUAL-ONLY	Member \$165 Non-member \$215	Member \$175 Non-member \$255
8	The Most Critical Challenges in Not-for-profit Accounting Today (8:30am-12:00pm) (CNA4)	AA/GOV	4	VIRTUAL-ONLY	Member \$165 Non-member \$215	Member \$175 Non-member \$255
8	Government and Nonprofit Frauds and Controls to Stop Them (1:00pm-4:30pm) (FCS4)	AA/GOV	4	VIRTUAL-ONLY	Member \$165 Non-member \$215	Member \$175 Non-member \$255
9	Hottest Tax Topics for 2021 (HOT)	TX	8	VIRTUAL-ONLY	Member \$245** Non-member \$345**	Member \$275** Non-member \$375**
9	Compilations, Reviews, and Preparations: Engagement Performance and Annual Update (CRAU)	AA	8	VIRTUAL-ONLY	Member \$245 Non-member \$345	Member \$275 Non-member \$375
15	Annual Tax Update: Corporations and Pass-Through Entities (ATCP)	TX	8	VIRTUAL-ONLY	Member \$245** Non-member \$345**	Member \$275** Non-member \$375**
15	Estate and Life Planning Issues for the Middle-Income Client (PMIC)	TX	8	VIRTUAL-ONLY	Member \$245 Non-member \$345	Member \$275 Non-member \$375
16	Fiduciary Income Tax Returns – Form 1041 Workshop with Filled-in Forms (1041)	TX	8	VIRTUAL-ONLY	Member \$245 Non-member \$345	Member \$275 Non-member \$375

All courses begin at 8:30 a.m. and end at 4:30 p.m. unless otherwise noted. ** AICPA members may deduct \$30 from AICPA courses (4 hour courses N/A).

November-December Seminars

CONFERENCES AND EVENTS

Date	Course Title (Acronym) of Study	Field CPE	Hours	Location	Early Bird Fee	Standard Fee
NOVEMBER <i>(continued)</i>						
18	This Year's Top Tax and Financial-Planning Ideas (8:30am-12:00pm) (IEF4)	TX	4	VIRTUAL-ONLY	Member \$165 Non-member \$215	Member \$175 Non-member \$225
18	Required Minimum Distributions: Compliance and Planning (1:00pm-4:30pm) (RMD4)	TX	4	VIRTUAL-ONLY	Member \$165 Non-member \$215	Member \$175 Non-member \$225
18	Annual Update for Accountants and Auditors (AUAA)	AA	8	HYBRID	Member \$245** Non-member \$345**	Member \$275** Non-member \$375**
19	Not-for-Profit Accounting and Auditing Update (NAU)	AA/GOV	8	VIRTUAL-ONLY	Member \$245** Non-member \$345**	Member \$275** Non-member \$375**
19	AICPA's Annual Federal Tax Update (PTU)	TX	8	HYBRID	Member \$245** Non-member \$345**	Member \$275** Non-member \$375**
30	U.S. GAAP: Review for Business & Industry and Public Accounting (FASBI)	AA	8	VIRTUAL-ONLY	Member \$245** Non-member \$345**	Member \$275** Non-member \$375**
30	The Complete Guide to Payroll Taxes and 1099 Issues (CGPT)	TX	8	VIRTUAL-ONLY	Member \$245 Non-member \$345	Member \$275 Non-member \$375
DECEMBER						
1	Professional Ethics Overview (8:30am-12:00pm) (PEO)	ET	4	HYBRID	Member \$165 Non-member \$215	Member \$175 Non-member \$225
1	Risk Management (1:00pm-4:30pm) (RM)	ET	4	HYBRID	Member \$165 Non-member \$215	Member \$175 Non-member \$225
6	2021 FASB and AICPA Update (FAU)	AA	8	VIRTUAL-ONLY	Member \$245 Non-member \$345	Member \$275 Non-member \$375
6	Annual Tax Update: Individuals and Sole Proprietors (TSUI)	TX	8	VIRTUAL-ONLY	Member \$245** Non-member \$345**	Member \$275** Non-member \$375**
7	Compliance and Review Practice Guide (CRP)	AA	8	VIRTUAL-ONLY	Member \$245 Non-member \$345	Member \$275 Non-member \$375
8	Disclosure - The Key to Financial Statements (DKFS)	AA	8	VIRTUAL-ONLY	Member \$245 Non-member \$345	Member \$275 Non-member \$375
9	Reviewing Pass-Through Tax Returns: What Are You Missing? (RPTR)	TX	8	VIRTUAL-ONLY	Member \$245** Non-member \$345**	Member \$275** Non-member \$375**
9	Critical Business Risks - Identifying Your Blind Spots (8:30am-12:00pm) (CL4CBRU)	OT	4	VIRTUAL-ONLY	Member \$165 Non-member \$215	Member \$175 Non-member \$225
9	Ethics and Professional Conduct: Updates and Practical Application (1:00pm-4:30pm) (CL4GRE)	ET	4	VIRTUAL-ONLY	Member \$165 Non-member \$215	Member \$175 Non-member \$225

*All courses begin at 8:30 a.m. and end at 4:30 p.m. unless otherwise noted. ** AICPA members may deduct \$30 from AICPA courses (4 hour courses N/A).*

Date	Course Title (Acronym) of Study	Field CPE	Hours	Location	Early Bird Fee	Standard Fee
DECEMBER <i>(continued)</i>						
10	Estate & Trust Primer (TSE.ETP)	TX	8	VIRTUAL-ONLY	Member \$245** Non-member \$345**	Member \$275** Non-member \$375**
13	The Best Individual Income Tax Update Course by Surgent (BITU)	TX	8	VIRTUAL-ONLY	Member \$245 Non-member \$345	Member \$275 Non-member \$375
13	Numbers Rule the World Series (CFOS5)	AA:2 ET: 2 OT: 4	8	VIRTUAL-ONLY	Member \$265 Non-member \$365 Non-member \$345**	Member \$295 Non-member \$395 Non-member \$375**

*All courses begin at 8:30 a.m. and end at 4:30 p.m. unless otherwise noted. ** AICPA members may deduct \$30 from AICPA courses (4 hour courses N/A).*

FIELD OF STUDY KEY:

AA: Accounting & Auditing
ET: Ethics (General)
GOV/AA: Governmental Accounting & Auditing

OT: Other
TX: Taxation

Governmental Accounting Conference Wrap-Up

Thank you to the 71 members who joined us for the Governmental Accounting Conference! This knowledge-filled event covered a variety of topics from multiple great speakers. Here is what attendees liked best about this conference:

“The subject matter was very relevant to the types of engagements I work on.”

“The IT/Cybersecurity part, enthusiastic presenters, and each of the participants were well qualified to translate legislation/Ark Code/ etc. into practical conversation.”

Special thanks to the speakers: Matthew C. Boch, David S. Coles, Jonathan Dismang, Matt Frink, Keith B. Freeman, Lisa R. Parker, Melisaa Simpson, Martha H. Steel, and Kevin W. White.



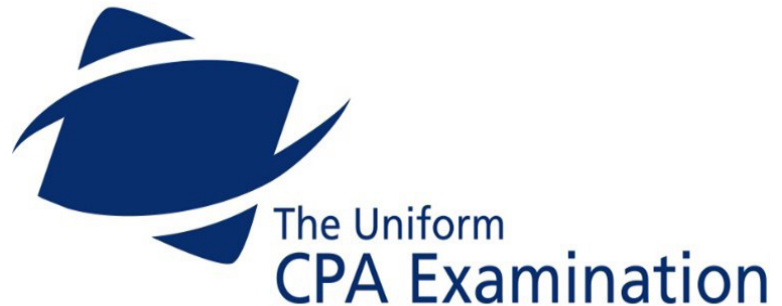
VOLUNTEERS NEEDED

Arkansas Society of CPAs and AICPA Seek Volunteers for CPA Exam Research

ARCPA is working with the AICPA to recruit CPAs from all areas of the profession to be a part of a critical phase of [CPA Exam practice analysis research](#). If you're a CPA or know a CPA who has supervised newly licensed CPAs within the last two years, your expertise is needed.

Volunteers will review Core and Discipline section content proposed for a new [CPA Evolution](#)-aligned CPA Exam Blueprint to be published next year. Work will begin on/around November 1, 2021, and require no more than two hours, including a short training session.

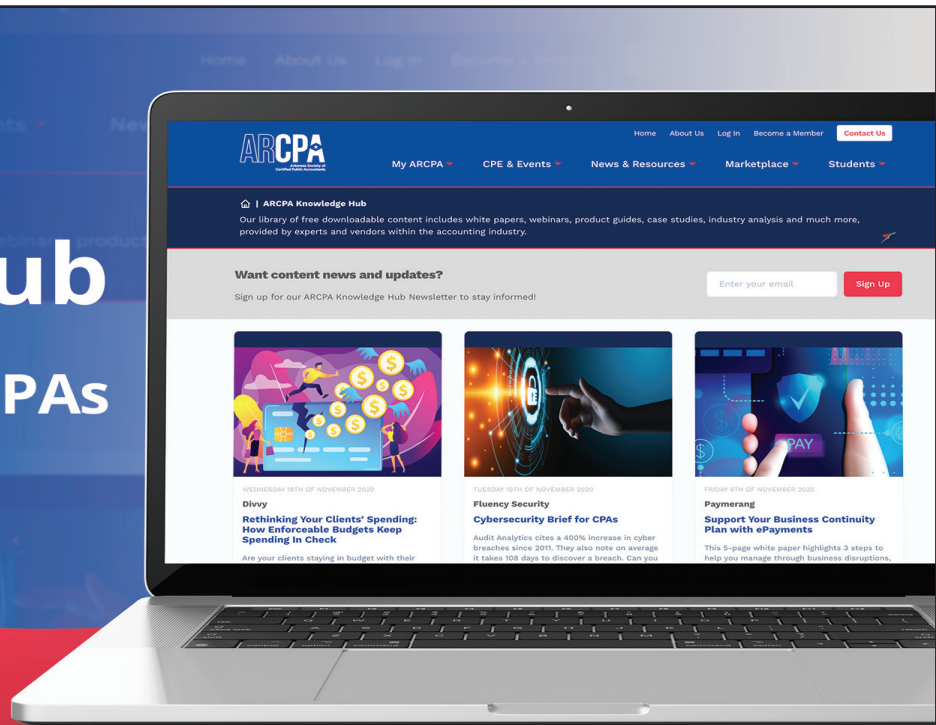
Interested volunteers should complete the [eligibility survey](#) no later than **Friday, October 15, 2021**.



Introducing the Knowledge Hub from the Arkansas Society of CPAs

ARCPAHub.org

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



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! 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:

Two-Day Federal Tax Update:	\$50 off / person
Tax Institute:	\$25 off / person
EQUIP Conference:	\$10 off / person
Fraud Conference:	\$25 off / person
Agriculture Conference:	\$15 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

ARCPA Student Education Fund

Each year the Student Education Fund awards scholarships to qualifying accounting majors attending four-year colleges and universities in Arkansas. The Student Education Fund is supported entirely by contributions. It is a 501(c)(3) non-profit corporation, and gifts to the Student Education Fund are tax deductible.

DONATE TODAY!

For more information contact Robin Harris, rharris@arcpa.org



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:

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FAX: (501)664-8320

PHONE: (501)664-8739 or

WEB SITE: www.arcpa.org

(800)482-8739 in Arkansas

Card # _____ Expiration Date _____

Signature _____

Looking for more CPE?

Webinars and Webcasts

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

Self-Study

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

Surgent CPA Packages

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

Surgent's Unlimited Webinar Package

ARCPA Member Price: \$425

- Unlimited 2020 access to 1200 live webinars

Surgent's Unlimited Self Study Package

ARCPA Member Price: \$299

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

Surgent's Unlimited Plus Package

ARCPA Member Price: \$595

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

Ways to Save on CPE

Save \$30: Early Bird Discount



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

Save \$30: AICPA Member Discount



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

Save up to \$200: ARCPA Member Discount



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

FALL Early Bird Special

For a limited-time select Wolters Kluwer's best-selling CCH® Publications are up to **30% off!**

Pre-Order your newest editions now before this special offer ends on Sept. 30, 2021!



Title	Est. Pub. Date	Media Issue #	List Price	Discounted Price	
USMasterTaxGuide® (2022)	Dec. 2021	10028606-0010	\$169.00	\$119.00	**Special Price
IncomeTaxRegulations (Winter 2022)	Dec.2021	10031534-0017	\$375.00	\$262.50	
InternalRevenueCode:Income,Estate,Gift,Employment&ExciseTaxes(Winter 2022)	Dec.2021	10031535-0021	\$269.00	\$188.30	
USMasterDepreciation Guide(2022)	Dec. 2021	10009802-0013	\$279.00	\$195.30	
Guidebook to California Taxes (2022)	Dec.2021	10073129-0003	\$199.00	\$139.30	
Guidebookto Florida Taxes(2022)	Dec.2021	10034375-0012	\$199.00	\$139.30	
GuidebooktoIllinois Taxes (2022)	Dec.2021	10032952-0012	\$199.00	\$139.30	
GuidebooktoNewJerseyTaxes (2022)	Dec.2021	10032693-0014	\$199.00	\$139.30	
GuidebooktoNewYork Taxes (2022)	Nov.2021	10032692-0012	\$199.00	\$139.30	
Guidebook to Pennsylvania Taxes (2022)	Dec.2021	10034365-0012	\$199.00	\$139.30	
GuidebooktoTexas Taxes (2022)	Dec.2021	10033913-0012	\$199.00	\$139.30	
State Tax Handbook (2022)	Dec.2021	10034384-0013	\$199.00	\$139.30	
Global Master Tax and Business Guide (2022)	Sept. 2021	10040452-0006	\$549.00	\$384.30	

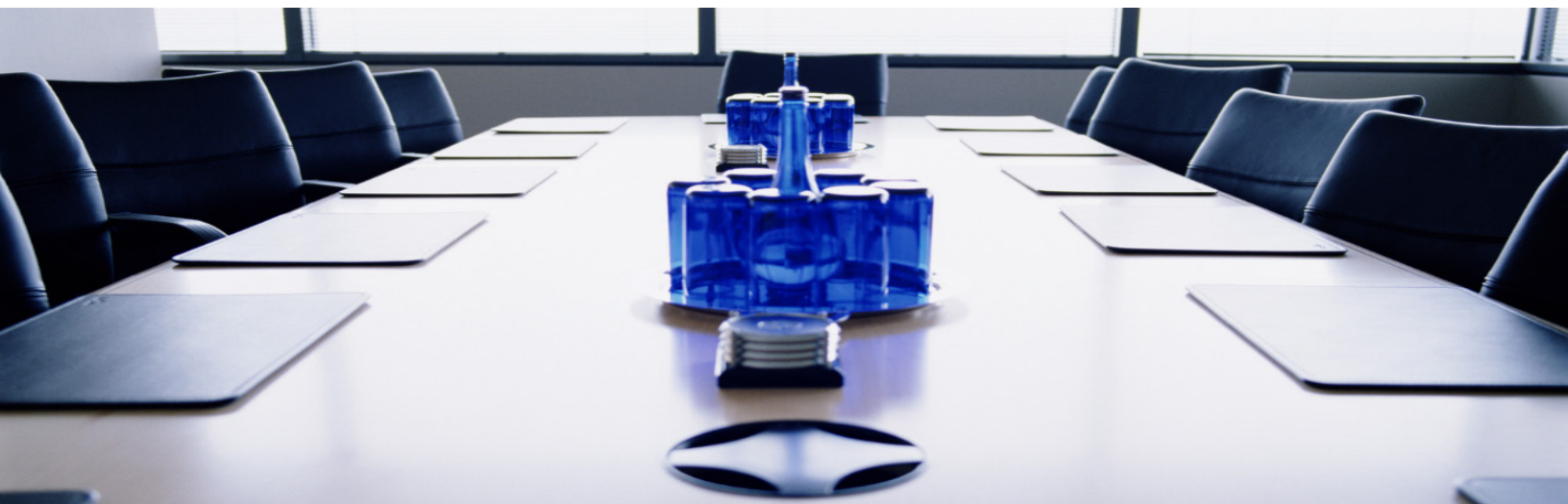
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From the Board Room



The following issues were covered in the September 22, 2021 Officers and Directors Meeting, which was held in hybrid format:

- Lobbyist Rodney Baker gave a legislative update regarding the pending Fall Special Session.
- ASBPA Executive Director Jimmy Corley gave a report from the Arkansas State Board of Public Accountancy, noting the recent appointment of ARCPA member Ronald F. Pitts to the Board.
- EGP PLLC Auditor Lindsey Baker presented the draft audit report for the year ending March 31, 2021. The Board approved the report, subject to receiving final information from two of the ten society Chapters.
- Treasurer Paul Osborn presented financial statements for the period ending June 30, 2021, which were approved.
- Executive Director/CEO Marsha Moffitt gave the Membership Report as of August 31, 2021. The Board approved 33 requests for membership resignation and 94 terminations for nonpayment of annual dues, four Life member applications, and voted to contribute \$100 each to the Student Education Fund in memory of four recently deceased members.
- Nominations Committee Chair Randy Milligan presented two recommendations, approved as follows:
 - To present members Joseph A. Sanford and Richard T. Carraway to the Governor as candidates for the new Tax Appeals Commission; and
 - Recommend that Joseph M. Rugger's name be submitted to the AICPA as a candidate for a future position on the AICPA Board of Directors.
- Strategic Planning Committee Chair Gina Moran gave a report from the Strategic Planning Committee.
- The Board approved a building improvements proposal totaling \$30K, recommended by the Executive Committee.
- The Board heard reports from the following Chapters and Committees:
 - Legislative Committee
 - Industry, Commerce & Banking Committee
 - Western Chapter
 - Northwest Chapter

The next scheduled Board of Directors' Meeting will be held on Thursday, December 9, 2021.

2021 ARCPA ELITE FIRMS



Thank you to the following firms for ensuring that all qualifying employees are members of the Arkansas Society of CPAs

Tier 1 (2-10 Members)

Ballard & Company Ltd	Lee & Smith PLLC
Beckwith & Company Ltd	Little Shaneyfelt Marshall & Company
Brown Rogers & Company PA	*Mann Hasson & Company PA
Cox & Creswell PLLC	McQueen & Company Ltd
Despain Luther Short & Company CPAs PA	Miller & Rose PA
Dowd & Company PLLC CPAs	Newkirk & Nordquist PA
Rene J Duchac CPA	Paladino & Company PA
Ellis Tucker & Aldridge LLP	Richard L Maxwell & Associates PLLC
Emrich & Scroggins LLP	*Sandlin & Parham Ltd
Gammill Boyd & Anderson PA	Scruggs Ridge & Company CPAs
Goad & Company CPAs	*Shoptaw Labahn & Company PA
*Grier Reeves & Lawley PC	*Stafford & Westervelt Chartered
Herod & Herod CPAs	The Rieke Firm PLLC
Howland & Norris CPAs	Thessing and Associates Ltd
J Michael Vinson PC	Turner Rodgers Manning & Plyler PLLC
J W Stafford & Associates Ltd	Vantine Barrett & Vanwinkle CPAs PLLC
James & Company CPAs	Welch Couch & Company PA
John Langham & Co CPAs	Widner-Penter Company PA
John W Stottman Jr CPA PA	Wilf & Henderson PC
*JSA CPAs PLLC	William P Cook & Associates PLLC
Keen & Company CPAs PLLC	Winham Tax and Accounting, Inc.
King Jacobs & Lorfing CPAs PA	*Yoakum Lovell & Company CPAs PLC

Tier 2 (11-20 Members)

Bell & Company PA
Evers Cox & Gober PLLC
S F Fiser & Company CPAs
Rasco Winter Thomas Group
Thomas Speight & Noble CPAs

Tier 3 (21 or more Members)

BKD LLP
EGP PLLC
Frost PLLC
Garland & Greenwood CPAs and Advisors PLLC
HCJ CPAs & Advisors PLLC
*HoganTaylor LLP
Landmark PLC CPAs

**Joined the ARCPA Elite program in 2021*

MEMBER SPOTLIGHT

MEMBER NEWS



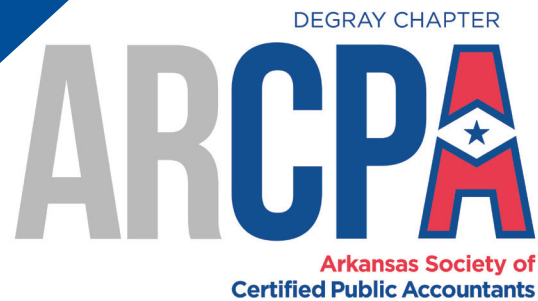
ROSS BALDWIN

This month we are excited to spotlight one of our members, Ross Baldwin. Ross is a 2017 graduate of the AICPA Leadership Academy. He has been a member of the ARCPA since 2009 and currently serves as Western Chapter President.

Ross has been with the Arkansas Legislative Audit for over 10 years and is currently a Staff Auditor IV. The best thing about his job is serving the citizens of Arkansas. He is a native of Hot Springs, and a graduate of Arkansas Tech University.

He enjoys reading John Maxwell books, hiking, and backpacking. When he is not spending time with his family, you can find Ross listening to a financial management podcast.

We are thankful to have Ross as a member of our Society and appreciate his determination and leadership skills that he brings to our organization and the CPA profession.



OCTOBER 19TH DEGRAY CHAPTER MEETING VIRTUAL ONLY

- 1:00 pm Tim Montgomery – Ark State Board of Public Accountancy- Ethics
- 2:00 pm Scott Fryer - DFA- Sales Tax
- 3:00 pm Shane Warrick SAU – Internal Controls and Fraud
- 4:00 pm Gary Troutman & Cole McCaskill– HS Chamber of Commerce and HSMP- State of Garland County's economic development

For more information email Susan Ashmore,
SAshmore@garlandcounty.org

NOVEMBER 16TH DEGRAY CHAPTER MEETING COMFORT INN & SUITES IN HOT SPRINGS

- 1:00 pm Keith Freeman - ALA - Yellow Book
- 2:00 pm Keith Freeman ALA – Intro to the exposure draft proposed statement on quality management
- 3:00 pm Joseph Rugger & Marsha Moffitt - ARCPA updates
- 4:00 pm Joy Black, Christine Ellis, Vicki Ross, & Merek Rowe - CPA Round table & pizza
- 4:50 pm Student Awards

For more information email Susan Ashmore,
SAshmore@garlandcounty.org

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Ron Pitts Appointed by Governor to Serve On State Board



Governor Asa Hutchinson appointed Ronald F. Pitts to serve a five-year term on the Arkansas State Board of Public Accountancy, expiring in 2026. Ron Pitts will join the board to replace outgoing member David Vaden, CPA.

Pitts served as president of Arkansas Society of CPAs (ARCPA) in 2008-09. He has served as the chairperson of the executive, finance, nominations, and policy committees for ARCPA. He also served for several years as a member of the strategic planning committee and an ARCPA ambassador.

Since 1998, Pitts has served on the Information Network of Arkansas (INA) Board, a public-private partnership. Arkansas Governor appoints each member of the INA Board. The INA Board provides oversight to the Network Manager, a private company that contracts to work exclusively for state and local government building digital government services. The INA Board comprises user groups (accountants, insurance agents, chambers of commerce, attorneys, bankers) and state agencies.

Ron and his wife Barbara reside in Hensley, Arkansas.

Ron Pitts is Chief Financial Officer at Baldwin & Shell Construction Company. Baldwin & Shell is one of the oldest and largest construction companies in Arkansas. Pitts was promoted to CFO of the company in October 2020 from his previous role as Controller, which he held for eight years. Pitts received a bachelor of science degree in accounting from UA Little Rock in 1986 and earned the CPA designation the following year. He has over thirty-five years of experience in public accounting, technology, and industry. Pitts is a member of the American Institute of CPAs and the Arkansas Society of CPAs (ARCPA).



IRS & DFA Liaison Meetings (Virtual) Wednesday, October 20

IRS: 8:30 a.m. - 12:00 Noon, DFA: 12:30 p.m. - 4:30 p.m.



On Wednesday, October 20, the ARCPA Taxation Committee will host the annual meetings with the Internal Revenue Service and Arkansas Department of Finance and Administration.

During these meetings key personnel from both agencies will address issues and concerns. Registration cost for members is \$25 for either one or both sessions.

Non-member registration is \$50 for either or both sessions. Each session should qualify up to 4 hours of CPE credit, depending on the actual length. Each session may qualify for CLE.

The link to access the virtual meeting will be emailed to registrants two days in advance.

Register now www.arcpa.org

Welcome New Society Members!

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

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

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

CPA Members

BRYAN GOLDEN, Sage Real Estate Solutions LLC, Little Rock, Central Chapter

JENNIFER MAHAN, Lone Star Communications, North Little Rock, Central Chapter

RACHAEL REYNOLDS, Bell & Company PA, North Little Rock, Central Chapter

SOMERSET SEA, Landmark PLC, Little Rock, Central Chapter

BARBARA VRBA, City of Hot Springs, Hot Springs, DeGray Chapter

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2021 ARCPA AWARDS

Call for Nominations—by December 30

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

Submit your nominations for the following awards:

DISTINGUISHED ACHIEVEMENT IN ACCOUNTING EDUCATION

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

OUTSTANDING CPA IN BUSINESS & INDUSTRY

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

OUTSTANDING CPA IN GOVERNMENT

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

OUTSTANDING EMERGING CPA

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

PUBLIC SERVICE AWARD

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

PUBLIC SERVICE FOR FIRMS

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



2021 AWARD NOMINATION FORM

Name of Award: _____

Nominee: _____

Firm or Company of Nominee: _____

Your Name: _____

Your Phone Number: _____

Your Email: _____

Return to:
Arkansas Society of CPAs
11300 Executive Center Drive
Little Rock, AR 72211-4352
Fax (501) 664-8320

or [Submit Online](#)

Once we receive the nomination, we will send instructions and a form to list the various accomplishments of the nominee.

ARCPA Supports Beta Alpha Psi Networking

ARCPA supported Arkansas Beta Alpha Psi chapters as during a national annual conference in August. The conference was held virtually, although student networking events were arranged by advisors. Beta Alpha Psi (BAP) is a student honors organization. ARCPA served as a sponsor for the event, by providing dinner and snacks for students and faculty advisors.

Students from UA Fayetteville, UA Fort Smith, UA Little Rock, and UCA attended the two-day virtual conference and in person activities, coordinated with accounting firms: Landmark CPAs, BKD, LLP, Bell and Company, PA, Frost, PLLC, and EY. Students completed a community service project with Frost, PLLC/Facta and Walmart, to arrange for over \$2,000 in school supplies and gift cards to elementary classrooms in Arkansas.



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Are your ducks in a row?

National Estate Planning Awareness Week, Oct. 18-24

Whatever your stage in life, it is a good idea to think about and plan for how your affairs will be handled. A few simple steps today can give you peace of mind tomorrow by ensuring that you and your loved ones are well protected.

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Karen Cooper, 800-662-2386

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Join us as we give back to our communities!

Join with ARCPA and the rest of your profession on Friday, November 12, and make a difference! You can choose ANY volunteer activity you want! Some ideas include helping out at an animal shelter, assembling care packages for deployed troops, or cleaning up a neighborhood park. The volunteer options are endless. For a list of possible volunteer opportunities, please contact Robin Harris, rharris@arcpa.org.



HOW IT WORKS:



1. Choose an organization to volunteer for and contact them directly to make arrangements for you or your group to volunteer on November 12th.
2. Register your volunteer activity plans with us.
3. Receive a FREE ARCPA Day of Service t-shirt upon registering! T-shirts are free to ARCPA members while supplies last, and can be purchased by non-members at a nominal fee.
4. On November 12th, wear your t-shirt and be sure to take photos of your activity and send them to us; or share them on social media using **#ARCPAvolunteer**, or **#ARCPADayofService** so we can showcase your volunteerism on our website and Facebook page.

ARCPA members will receive a FREE t-shirt when signing up by October 1st or while supplies last. Non-members may purchase a shirt for \$10 each, if ordered by October 1st or while supplies last, by calling Robin Harris at (501) 664-8739 to order.

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**SIGN UP AS A
GROUP**

DOL to Conduct Audit Quality Assessment of 2020 Plan Year Filings

Shared by permission of AICPA

The DOL Employee Benefit Security Administration (EBSA) Office of the Chief Accountant (OCA) is planning to conduct a study to assess the quality of audit work performed by independent qualified public accountants (IQPAs) with respect to financial statement audits of employee benefit plans covered under the Employee Retirement Income Security Act of 1974 (ERISA) for the 2020 Form 5500 filing year (plan years beginning in 2020). This includes calendar year 2020 filings filed on extension by October 15, 2021. The DOL previously performed an audit quality assessment of the 2011 plan filing year and reviewed a sample of 400 audits ([click here](#) for the DOL 2011 assessment report).

The EBSA OCA is in the process of developing the sample methodology of plans, and expects to make a sample selection and begin corresponding with administrators and IQPA firms later this year. If selected, the IQPA firm will be asked to provide the EBSA OCA with a full set of audit workpapers supporting the audit containing all documentation, including workpapers kept in other related files (DOL will not permit supplemental submissions).

Auditors are reminded to be sure they have adequately documented their audits as a record of auditing procedures applied, evidence obtained, and conclusions reached by the auditor in the engagement. AU-C Section 230, Audit Documentation, states that audit documentation provides evidence of the auditor's basis for a conclusion about the achievement of the overall objectives of the auditor, and evidence that the audit was planned and performed in accordance with generally accepted auditing standards (GAAS) and the applicable legal and regulatory requirements.

The following EBPAQC resources are helpful to understand best practices and common deficiencies in ERISA EBP audits:

[Performing quality ERISA employee benefit plan audits: Firm best practices](#)

Includes tips for establishing effective quality control policies and procedures specific to your EBP audit practice and provides examples of best practices.

[Common EBP audit deficiencies planning tool](#)

Describes some of the most common deficiencies noted in EBP audits, Employee Benefit Plans and references to additional tools and resources.

[Summary of Frequent "Unacceptable, Major" Deficiencies in 2011 DOL Audit Quality Study](#)

Provides descriptions of the "Unacceptable, Major" findings in the 2011 DOL study in the areas of:

- Investments
- Notes receivable
- Contributions received and receivable
- Participant data, including individual participant accounts
- Plan obligations
- Parties in interest/prohibited transactions
- Plan tax status
- Commitments and contingencies
- Administrative expenses and subsequent events
- Plan mergers and terminating plans
- Plan representations
- Compliance with GAAS and GAAP
- Compliance with DOL rules and regulations for reporting and disclosure

[Peer review findings in employee benefit plan audits](#)

Describes the most frequent Matters for Further Consideration (MFCs) the AICPA Peer Review team has found related to EBP audits and financial statements in peer reviews performed in 2019. The tool includes EBP MFCs related to:

- Quality control policies and procedures
- Engagement letters
- Use of a specialist
- Risk assessment
- Internal control
- Sampling
- SOC 1 reports
- Testing and documentation
- Management representation letters
- The auditor's communication with those charged with governance
- Financial statements and the auditor's report
- Defined benefit plans
- ESOP plans
- Multiemployer plans
- Health & welfare plans

The EBPAQC has many other tools and resources to help your firm perform and document a quality EBP audits.

- [Click here](#) for Practice Management resources.
- [Click here](#) for Audit Engagement resources including audit documentation tools.

The 2011 study found nearly 4 out of 10 audits contained major deficiencies. DOL referred audits with deficiencies to the applicable state board of accountancy and AICPA Ethics.

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Fax form and credit card payment to (501) 664-8320
Email rharris@arcpa.org

Frequently Asked Engagement Letter Questions

By Sarah Beckett Ference, CPA. September 1, 2021. *Journal of Accountancy*

Last month's Professional Liability Spotlight column focused on frequently asked risk management questions related to topics other than engagement letters (see "[Professional Liability Spotlight: Frequently Asked Risk Management Questions](#)," JofA, Aug. 2021). The top topic of questions asked of the Accountants Risk Control team at CNA, the endorsed underwriter of the AICPA Professional Liability Insurance Program, in any given year is engagement letters and deserves its own FAQ column. Autumn is ideal for reviewing your firm's approach to engagement letters in preparation for the next busy season. We've summarized engagement letter FAQs below to help you.

Are engagement letters really that useful?

Ask any claim professional, defense counsel, or expert: Engagement letters are one of the best defensive tools a CPA can possess. In fact, in the event of a dispute, one of the first documents requested is the engagement letter. Engagement letters can help prevent a disagreement from growing to a claim. If a claim should arise, the existence of an engagement letter generally leads to lower claim severity. In a 2017 analysis, the increase in the average dollar amount of claims when engagement letters were not used ranged from 19% to 71%, depending on the firm size. Many professional liability insurers provide premium and/or deductible credits for the use of engagement letters as well. Despite these incentives, CNA's claim experience demonstrates there is still room for improvement, especially related to tax and consulting services. In all claims asserted against CPA firms in 2020, just 61% had an engagement letter related to the underlying engagement.

I've been working with my clients for years; why would I start using engagement letters now?

As one CPA in the program notes, "They're called clients, not friends, for a reason." And another notes, "When people lose money, CPAs get sued." Both sentiments have proved to be true based on CNA's claims experience. Unfortunately, even long-term, loyal clients sue. If a client balks at the introduction of an engagement letter, rationally draw comparisons to the client's business or life. Would a contractor client ever start a project without a signed proposal in hand? Would an individual client ever agree to have their car

fixed without first understanding and approving the work to be done? In today's business climate, having a mutual understanding between the parties to a service is expected. An engagement letter just puts that understanding in writing.

How can I efficiently implement engagement letters if I'm not using them right now? Or not using them on all engagements?

Going from zero to 100% is a daunting task. Triage clients and engagements and implement engagement letters over time. For example, prioritize high-risk clients and services and services that require a written understanding. Then implement engagement letters on all consulting services, including tax consulting. Why? In any consulting arrangement, the scope of services is determined through an agreement with the client. What better way to memorialize this than with an engagement letter? Lower-risk services, such as individual income tax preparation for clients with W-2 income can follow. "[Professional Liability Spotlight: Buckle Up: The Importance of Engagement Letters](#)," JofA, Dec. 2014, explains this risk-based approach to implementation in further detail.

What are standard terms and conditions, and why should I use them?

Another way to help implement engagement letters more efficiently is by using a standard terms-and-conditions addendum. This is a set of standard, firmwide terms and conditions that are updated periodically and attached as an addendum to every engagement letter issued by the firm. Example terms in a terms-and-conditions addendum may include billing and payment terms, termination and withdrawal provisions, dispute resolution, and risk allocation provisions such as limitation of liability or indemnification of the CPA firm where permitted. Standard terms and conditions apply to all engagements and give the firm and the client the benefit of a single understanding addressing the key contractual elements of the relationship. In addition to helping a firm manage its risk consistently across the firm, a standard terms-and-conditions addendum reduces the amount of language that is required to be updated for each engagement.

Frequently Asked Engagement Letter Questions *(Continued)*

By Sarah Beckett Ference, CPA. September 1, 2021. *Journal of Accountancy*

Can I use ‘negative assurance’ engagement letters or multiyear engagement letters?

While annual engagement letters, signed by both the CPA firm and the client, are ideal, they are not always practical to implement, especially for firms with high-volume, small-dollar engagements, such as 1040 return preparation. For these engagements, consider unilateral engagement letters, also referred to as “negative assurance” engagement letters. Unilateral engagement letters include a statement that, through the client’s provision of information to the CPA and the CPA’s delivery of service to the client, the client has accepted the firm’s terms as set forth in the engagement letter provided to the client.

Evergreen engagement letters indicate that services will continue unchanged until either party terminates the professional relationship, and they do not specify when the engagement will end. While seemingly convenient, the use of evergreen letters potentially removes an important statute-of-limitation defense, thus permitting a claim to be asserted several years after the services were rendered.

For more on the effectiveness of different types of engagement letters, read “[Professional Liability Spotlight: Which Engagement Letter Reigns Supreme?](#),” JofA, Dec. 2017.

Where can I find a sample engagement letter for (insert name of service)?

Sources of sample engagement letters and sample terms and conditions include a CPA’s professional liability carrier, the AICPA (particularly the Tax Section), paid providers, and alliance networks. Leverage samples to help create engagement letter templates that are best for your firm, services, clients, and risk tolerance. Remember to have an attorney familiar with the laws in your jurisdiction review your templates for enforceability.

My client has proposed edits to my engagement letter. Should I agree?

All provisions in an engagement letter serve some purpose of managing the firm’s risk, and making any change affects risk in some way. Therefore, before agreeing to a client’s request for modification, be sure to understand whether the client’s request increases

risk beyond the firm’s tolerance. It is also helpful to understand why the client is requesting the change, because there may be a better alternative to address their concern. For example, if a high-risk, high-net-worth client wants to strike a one-times-fees-limitation-of-liability provision, is the engagement now too risky? Would the client accept a higher multiple of fees instead of eliminating the term entirely?

Client requests for the firm’s defense and indemnification have become more common in recent years. Clients include defense and indemnification provisions in engagement letters in an attempt to insulate themselves from exposure and shift responsibility to the CPA firm. Pay particular attention if a client makes this request, and do not agree to the client’s modifications before reviewing the specific wording carefully in consultation with your attorney and/or professional liability carrier. Depending on how they are written and what they address, requests for the firm’s indemnification may lead to significant costs to a CPA firm that may not be covered by professional liability insurance. They can also impair independence depending on the circumstances. Learn why and understand strategies for responding by reading “[Professional Liability Spotlight: Deflecting Clients’ Defense and Indemnity Requests](#),” JofA, April 2017.

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.

This article provides information, rather than advice or opinion. It is accurate to the best of the author’s knowledge as of the article date. This article should not be viewed as a substitute for recommendations of a retained professional. Such consultation is recommended in applying this material in any particular factual situations.

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Helping Clients Prepare for Death-Related Expenses

By Bryce Sanders

There are several expenses to consider when planning for the end of one's life so that survivors and relatives aren't left in dire straits when they [suffer a loss](#). Financial planner Bryce Sanders has some tips for accounting professionals to keep in mind when helping clients with [estate planning](#).

Here's a nightmare scenario: Suppose a client had wealthy older parents. They had enough cash flow to live a comfortable life and made investments along the way. However, when the client's father died, many securities in certificate form were left in the father's name only, not to mention the safety deposit boxes and overdue tax notices in a pile of unopened mail. As his mother was on her deathbed, she apologized for the financial mess that she was leaving behind. What does this mean for your client?

What Is Dying Going to Cost?

Don't let the above scenario happen to your client. Make sure they have addressed any estate tax issues as well as day-to-day issues before it's too late. Your client should have a will in place and an appointed executor who can file papers with the court for probate. Lawyers can handle the paperwork, but there are expenses for their time and effort. Here's what you need to know:

Probate

The probate court will validate your client's will and confirm the appointment of the executor. Their job is to identify assets, make sure bills and expenses continued to be paid, pay off any liabilities and make tax payments. Simple estates are typically wrapped up within a year.

Spousal transfer of assets

Many people hold accounts under JTWROS status, which stands for joint tenants with right of survivorship. This avoids going through probate. Providing a death certificate to each institution where an account is held should be sufficient to retitle the accounts in the survivor's name. Funeral homes will typically provide survivors with multiple copies of the death certificate. Generally speaking, spouse-to-spouse transfers aren't taxable events.



Retitling accounts and hard assets

If real estate is held under JTWRO status or is community property co-owned with the spouse, the transfer should be straightforward. If the other owner isn't the spouse, the situation becomes more complicated because the asset is part of the estate, and taxes might be due. Other assets might be held in a single name. The decedent's will must go through probate to determine who gets what.

Funeral expenses

Some people are surprised to learn that Social Security provides only \$255 as a funeral expense benefit to the partner of the deceased. Of course, funerals are much more expensive than that. According to the National Funeral Directors Association (NFDA), the average funeral and burial cost in 2019 was \$7,640. Of course, costs vary depending on many factors, such as where your client lives. A client in Mississippi might pay about \$1,000 less than that, while a client in Hawaii might pay double that amount.

End-of-life expenses

The NFDA also tracks end-of-life medical costs. These costs can average a little over \$11,000 but also vary by state. Again, Mississippi typically has the lowest costs while Hawaii has the highest. (These expenses are paid by the estate.)

Claiming life insurance proceeds

There is paperwork to do, so it makes sense to work with a local insurance agent. The agent will need paperwork completed and a certified copy of the death certificate, but they usually can handle it from there.

Helping Clients Prepare for Death-Related Expenses *(Continued)*

Notifying Social Security and pensions

In most cases, Social Security comes with survivor benefits, requiring more paperwork and an in-person meeting with a representative at the Social Security Administration. This is important because it's illegal to continue collecting full benefits when the insured person is deceased. Former spouses are eligible for survivor income benefits. When people retire or begin receiving income from annuities, they designate future payment status to become effective after they die. In some cases, the payments stop. In other cases, the payments continue but for a different amount depending on the option the annuitant chose.

Retirement accounts

They have beneficiaries, which avoids probate, assuming the beneficiaries are properly titled. This designation also takes precedence over designations in wills, which can become a problem if your client listed their ex-spouse as a retirement plan beneficiary and never changed it, for example. The retirement assets aren't taxable as long as they remain sheltered within the retirement account. Once some or all are withdrawn, they are subject to tax.

Car loans

The estate can continue making payments or the person inheriting the car can take over the payments, or the car can be repossessed by the lender.

Mortgages and other secured loans

Mortgages are secured loans, so the payments need

to continue. The inheritor can choose to continue making payments or the property can be sold to satisfy the outstanding mortgage balance. A home equity line of credit (HELOC) is a loan secured by the property. Bear in mind the mortgage was issued to a person with a specific credit profile while the inheritor might have a different profile.

Credit card debt

Once the card company is notified, they should not add any penalties or additional fees. Logically, the estate is responsible. Assuming the spouse isn't a joint cardholder and is not in a community property state, the spouse isn't responsible for the outstanding credit card balance if there aren't any assets in the estate.

Conclusion

Settling estates takes time and can be costly beyond estate tax liabilities. Most of your clients probably have assets sufficient to cover their obligations, but they might have relatives who aren't so lucky. Going over these details ahead of time can be helpful to everyone involved.



Bryce Sanders is president of [Perceptive Business Solutions Inc.](#) in New Hope, Pennsylvania. He provides high-net-worth client acquisition training for the financial services industry. His book, *Captivating the Wealthy Investor*, can be found on Amazon.com.



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Standing with Asian Americans in Accounting

By Carolyn Tang Kmet



2020 was a year of palpable angst here in the United States. A pandemic unprecedented in our lifetimes ran riot, and underneath the drumbeat of COVID-19 deaths and economic impacts we could hear the constant hum of racial tension. And while the ongoing protests over the deaths of Black Americans in police custody hit a fever pitch after the killing of George Floyd, communities already struggling with job losses and the deaths of loved ones found a scapegoat in Asian Americans.

According to analysis of police data compiled by the Center for the Study of Hate and Extremism at California State University, San Bernardino, anti-Asian hate crime increased by 146 percent across 26 of America's largest jurisdictions in 2020. This increase in anti-Asian sentiment correlated with the rise of COVID-19, often called by such stigmatizing terms as "Kung Flu," "China Virus," or "Wuhan Flu." This trend in anti-Asian violence sustained through the first quarter of 2021, where police data from the 16 most populous cities in the country showed a 164 percent increase in anti-Asian attacks. In the first 89 days of this year, there were at least 95 incidents of reported anti-Asian hate crimes.

While this should concern all Americans, it hits especially hard in the finance and accounting profession. According to [Data USA](#)—a visualization engine developed by Deloitte and based on U.S. Census data—as of 2019, Asians make up 12.2 percent of accountants and auditors in the United States. This makes them the largest ethnic minority in the

profession—and it makes the challenge to support our Asian American colleagues and fight the trend of anti-Asian sentiment all the more pressing.

Creating a Sense of Belonging

For Asian Americans in the accounting industry, struggling with stereotypes and different expectations is part of the job. "We can't change perceptions, but we can disprove them," says Anna Gomez, CPA, a first-generation Filipina and Illinois CPA Society member. Gomez holds a degree in economics from one of the top universities in Asia, and before coming to the United States in the early 1990s, she owned and operated two restaurants. But once she arrived in the States, it was a struggle to break into the professional workforce. She took the first job she was offered as a "copy girl" for a law firm in Chicago, churning out copies eight hours a day.

"I found out pretty quickly that no one wanted to hire someone without a U.S. education or U.S. experience. It was a tough realization for me, a 24-year-old mother who thought she had everything figured out," Gomez recalls.

The solution came from an unlikely source: A group of people on her daily train commute from Indiana to Chicago advised her to sit for the CPA exam. She didn't pass on her first try. Or her second try. "But I kept on and I'm glad I did. The CPA certification made me a credible candidate for all my future jobs," Gomez says.

Standing with Asian Americans in Accounting *(Continued)*

Today, Gomez is the global chief accounting officer and international chief financial officer for IRI Worldwide and a published author of multicultural women's literature. Throughout her career, she has championed diversity and inclusion and battled ageism, believing that the ideas, innovation, and progress that make businesses successful are the combined effort of diverse minds. She cautions against equating diversity with inclusion, noting that retaining and promoting diverse employees to leadership positions remains a challenge in many organizations.

"Diverse employees often don't feel like they belong, or that they have the ability to progress in an organization that has no diverse role models at the top," Gomez observes. "Inclusion means advocating for diverse talent in ways that will allow them to stay, grow, and succeed—and that means celebrating every single life story."

Offering Tangible Support

Illinois CPA Society member Roxanne Chow, CPA, a second-generation Chinese American and senior manager in EY's financial accounting advisory services practice, was shaken by the recent increase in attacks against the Asian community.

"What impacted me most was seeing the videos of Asian elders being punched or slashed. It felt like I was seeing my grandma, my cousin, my aunts or uncles being attacked," Chow recalls. "Even though I felt personally safe in the very diverse, liberal bubble of Chicago, I was still terrified for my family."

As a child, Chow remembers being embarrassed by her parents' Chinese accent. She recalls wanting so badly to fit in, which to her meant being white. This feeling of being an outsider and struggling to fit in is an experience shared by many second-generation immigrants. But as an adult, she is proud and deeply grateful that her parents immigrated to the United States.

"They were incredibly courageous and brave to come to the United States and to communicate and interact in a language that was not their mother tongue," Chow says.

Chow counts herself lucky that EY walks the talk when it comes to diversity and inclusion, treating them as

business imperatives. Following the recent rash of race-motivated attacks, Chow was able to draw strength and support from her coworkers, noting that she was only able to have these very open conversations with her team members because organizational leadership had been very vocal in their support of the fight for equality and justice.

"Be visible and lead by example," Chow says. "I always go back to, 'What are the things I can change? What are the things that I can do personally?'"

Chow suggests donating time and money to organizations that fight back against hate crimes, as well as voting at the local, state, and national level. Chow herself volunteers for Ladder Up, a non-profit organization that provides free financial consulting to the underserved, helping with taxes, college financial aid, and financial literacy. "Donating money is important, but sometimes donating your time is much more powerful," she says. "Become an advocate for rejecting aggression and hate and building awareness. Talk to anyone who will listen and share your perspective."

Navigating Tensions With Empathy

Stella Marie Santos, CPA, a first-generation Filipina, has accounting in her blood: Her father was an accountant with the Philippine Commission on Audit and both of her sisters are CPAs. In 2011, Santos founded Adelfia LLC in Chicago with her sisters, and she currently sits on the Illinois CPA Society Board of Directors.

"We named the firm not after our own names as is typical of CPA firms, but with a name that every employee can take ownership and have pride in," Santos explains. "Adelfia means brotherhood, sisterhood. We want Adelfia's success to belong to the entire team. This foundational principle drives a feeling of equality among our team members."

Santos' warmth and smile are contagious, but sometimes those aren't the first qualities people notice: Santos has been in situations where people make assumptions about her technical knowledge or ability because of her accent. "On multiple occasions, I felt some irritation from the person I was talking to because of my diction, and have sometimes felt dismissed," Santos relates.

Standing with Asian Americans in Accounting *(Continued)*

Santos suspects that today's racial tension is partially a result of lagging economic conditions. "Many Caucasian Americans have been displaced in their work, and I think sometimes they think their jobs and opportunities were taken from them by a minority. I think that idea was encouraged by the previous presidential administration, and society has become really divided," Santos says.

Of course, not all tension is born of anger—some arises from a simple lack of cultural understanding. During a regional audit, a client mentioned their surprise at Adelfia's diverse team's command of English. "We explained to them that in the Philippines, from elementary school until college, our medium of instruction is English," Santos laughs.

Santos' approach in fraught situations is to recognize that it is common for people to have a reaction to someone different from themselves. "When you feel as though your skills or abilities are being underestimated because of your heritage, try not to let those reactions make you feel like less of a person. Prove them wrong by communicating what you know and getting the job done. The quality of your work will speak for itself," Santos advises.

More importantly, Santos advises approaching these situations openly and with empathy. "Sometimes their reactions or comments are due to a lack of awareness. Let them know how they made you feel, but in an empathetic tone. Share with them stories of where you came from, how you were educated, and the experience you have gained. When you share your story, your human spirit comes out," Santos says.

Santos is conscious that sometimes she also makes assumptions about others, relating an instance where she approached a client because she felt their tone was undermining her work. "She assured me that's not at all how she meant it. That moment opened my mind, because I realized I was reading too much into what she had said," Santos shares.

During that discussion, both the client and Santos realized how much their preconceptions of each other impacted their communication. Today, they are very good friends.

"The lesson I learned is that we have to understand each other. I think the reason we're having these

problems is because one side or the other tends to be closed-minded. When there is closed-mindedness, how can we have reconciliation?" Santos says.

Understanding Your Worth

Faye Zhang, CPA, is an audit manager at Crowe LLP and an Illinois CPA Society member and while accounting came naturally to her, math did not.

"Because I'm Chinese American, people assume I'm good at math. In group projects in college, they would try to hand me the math-heavy portion of the work, and I'm like, 'I don't know how to do this,' Zhang laughs.

She advises her fellow minority accountants to own their abilities and to be proud of them. In too many cases, she says, younger interns and new hires are hesitant to share their accomplishments.

"I do a lot of interviews for my firm. Some people come in with this really amazing resume and when I ask them questions about it, they're super shy about the work they did. You have to bring it out of them, and prompt them with, 'Oh, what did you do there?'" Zhang says. She encourages her fellow young minorities to understand their worth and be more assertive. "Don't sell yourself short. Go fight for the same opportunities—you're worth it," she says.

As Asian Americans in accounting and finance take steps to own their worth and push forward, the rest of us must also step up and do our parts to make the profession more welcoming by embracing the unique stories and perspectives within our organizations, putting aside preconceptions, and pushing back against hateful attitudes and actions within society as a whole.

"I do think this country is great. I do think there are so many amazing people out there. If we can all do our part, even if it's a just a little one, we can make this world a better place," Chow says.

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Tips For Working with First-Time Single Audit Clients

The U.S. has seen historic levels of federal funding in response to the COVID-19 pandemic. Various laws, including the CARES Act and the American Rescue Plan Act of 2021 have provided billions of dollars to American businesses, state and local governments and not-for-profits. While this funding has provided relief, especially for nonprofits, it may cause complications for many recipients.

Does your client need a single audit?

Much of the new pandemic funding is subject to single audit rules. Not all recipients of this funding will need a single audit. However, when a non-federal entity spends \$750,000 or more of federal awards in a fiscal year, a single audit is required.

Many recipients of pandemic funding have never had a single audit before and may not know what is required. Your existing clients may need a single audit for the first time, or you may begin working with new clients who have never even had a financial statement audit before. Here are some tips for you to help your clients through the evolving single audit process.

Ask clients what funding they have received.

Talk to your clients about what type of funding they have received from the beginning of the pandemic in 2020 to the present. In some cases, you may consider helping them review their grant agreements to identify what is needed on their end, and then on your end as the auditor. Additionally, you could email clients with news related to the funding they've received or update your website with the most current information. The sooner your clients know about important and relevant information, the better prepared they are and the better audit you can perform — so it is a win-win.

Encourage your clients to be proactive and ask questions about funding they have received. For example, one controller contacted her CPA as soon as she knew her organization would receive funding. She knew this funding had stipulations but didn't know yet that a single audit would be required. Finding out early in the process was a huge benefit. But many organizations may be unaware of all the requirements in the funding they have received.

Communicate openly with your clients.

This is a time when having open lines of communication

with your clients is especially important. Learning whether your clients have reviewed and truly understand the guidelines for the type of funding they received is key, as well as that they have procedures in place to comply.

Also, clients need to know — even if they are under the \$750,000 threshold — that administrative and other requirements of federal funding apply even if a single audit is not needed. For example, the funds may only be spent for certain purposes. This is an important concept for clients to understand.

Be aware of audit quality concerns.

Some first-time single audit clients may be concerned with audit costs because they are required to undergo an additional audit. While cost is always one consideration, in this situation, it is also important to focus on the experience of the firm to make sure they are getting the highest-quality audit possible.

Also, as auditors, you have a duty to the public to perform high-quality audits. Single audits have a significant public interest component as they involve taxpayer dollars and federal agencies rely on them as part of their administrative responsibilities for determining compliance with the requirements of federal awards. Because of this, audit quality should always be at the forefront of every auditor's mind.

Because of the complexity of single audits and the necessity of specialized knowledge of their rules and compliance requirements, you should consider whether you should accept a single audit engagement if you do not have experience performing them. Perhaps you could consider performing the financial statement audit, but other options for the single audit might be to refer your clients to someone else in your organization with the appropriate experience or to another firm that specializes in single audits. Alternatively, if you have some experience but not much, you could consider engaging another firm to perform a pre-issuance review or other types of consultative assistance to help ensure a high-quality audit. You can use the AICPA's [Peer Reviewer Search](#) tool to find an auditor to refer your clients to, or to look for consultative assistance. Additionally, the AICPA's Governmental Audit Quality Center (GAQC) has a listing of its member firms with contact information on its [Find A Member](#) page.

Tips For Working with First-Time Single Audit Clients *(Continued)*

Make time for continuing education and pay attention to developments.

Firms should ensure auditors receive the required training for all specialization areas. For example, generally accepted government auditing standards (referred to as the Yellow Book) require auditors who perform single audits to maintain their competency through CPE hours and topics listed in the 2018 Yellow Book.

If you take on a single audit, there is single audit learning available through the Arkansas Society of CPAs and the AICPA, among other sources, to help you gain the fundamental knowledge you need. Regarding the new COVID-19 funding, you may want to pay close attention to any training provided by federal agencies.

Additionally, you can access the [AICPA's GAQC](#) website, in particular its [COVID-19 Resource page](#), which outlines many resources. You may also want to contact other firms on their single audit and pandemic-related resources. It's useful to speak to your peers about what they're doing and learn from their experiences. Keeping

on top of things is important.

Looking Ahead

The pandemic has drastically changed work in many industries, and the accounting profession is no different. The next few years will see many more single audits being performed by more public accounting firms across the country.

Keeping up with all these changes while continuously striving to be that trusted adviser for your clients is tough. In these times, in addition to all the other tips above, it is especially important to be mindful of staff [well-being](#). Organizations need to provide support to staff so they can remain engaged and avoid burnout. Focusing on well-being can enable staff to do their jobs better, which allows them to better serve their clients and, ultimately, contributes to enhancing audit quality.

These are challenging times in the single audit arena for sure. But the tips above should help provide a pathway to success.



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