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Happy New Year!

Join the forward-looking small businesses that are getting ready now to have a great year in 2010.

By now you probably have your strategy in place for 2010, but perhaps your 2010 financial budgets are just forming. And let’s not forget, your strategy will only be as strong as the people executing it. So have you asked yourself these questions about your company?

- Do you have the right people in place to achieve your goals?
- Is your benefits plan better than your competitors?
- Are you at risk of losing your best people?

Strategies don’t create success, people do. Create your own success by talking to us today. Contact Peter Padovano at peter.padovano@trinet.com or call (781) 475-2967.

We can’t wait to get started.

Meanwhile, download a free white paper on 5 ways to manage rising benefits costs. www.trinet.com/mscpa09
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Dear Member,

I hope you had an opportunity to take some time this past summer to recharge the batteries as we head into another season. While unemployment continues to rise in one of the worst recessions of the last two generations, there is some glimmer of hope that we may be seeing the end. As financial professionals, whether in public practice, industry, government or education, very few of us have not been challenged with revenue pressures and requirements to reduce operating costs.

The revenue growth rates of the past several years turned on a dime with this unprecedented recession. While most of us dealt with little or no growth, a number have had to deal with much harsher realities. Demand did not exceed capacity, and our members experienced staff reductions for the first time in many years, a stark reversal of the extremely tight labor markets of the past. In these times, it is essential to communicate your strategy often and clearly with all your employees, in particular your future leaders, to minimize the heightened anxiety that occurs in uncertain times.

I believe that as the recovery takes hold, the challenge that we faced in finding quality talent a very short time ago will return, and the need for staff will be exacerbated by the rate of change and increased complexities our profession is experiencing, driven in good part by the aftermath of the financial industry’s near collapse. In the future, we will be guiding our organizations or assisting our clients with the requirements of more extensive fair-value accounting, data security regulations, financial regulatory reform and convergence to IFRS, to name a few.

We need to be careful that the resource decisions we make in today’s environment do not handicap our abilities to compete in the future, when conditions have improved and talent may be more difficult to find.

While continuing to look for ways to reduce costs in this environment, it is important that we maintain our investments in the areas of staff development, technology and marketing. For example:

- Development and training not only improves performance but also retains your future leaders who feel they are progressing along their career path;
- State of the art technology allows you to do more with less; and
- While many are cutting back spending in this area, executing a focused, purposeful marketing plan can set you apart.

While we are certainly not out of the woods yet, there are signs of a recovery, and we need to continue our strategic investments to ensure that we are well prepared to compete as efficiently as possible while positioning ourselves to meet the growth opportunities when they finally arrive.

Please e-mail me with any questions or comments at chairman@MSCPAonline.org.

My best wishes for a productive and successful fall.

Sincerely,

Daniel P. DeVasto, CPA
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The MSCPA’s Women in Accounting Committee has tasked the Career Development Subcommittee to provide strategies for career development through encouraging mentoring relationships, development of leadership skills and helping women develop personal and professional goals at various phases in their lives and careers.

As a first project, the subcommittee developed and distributed a questionnaire to assess the views and concerns of accounting professionals to: (1) learn more about Society members interest in the focus of career development; and (2) focus the subcommittee’s work going forward on the issues presented by the survey. With this in mind, the survey was centered around members’ attitudes, priorities and situations in the areas of career goals, soft skills, work/life balance and mentoring.

The questionnaire was made available to the Society membership early in the summer of 2009. Members completed questionnaires at several MSCPA events and were also invited to participate through SumNews and Friday@Five.

The data collected from the questionnaire provided valuable information to the subcommittee as it sought to understand the perceptions of professionals as well as their access to career development resources. One hundred and forty Society members participated. The vast majority of respondents worked in public accounting firms, so results will be reported for that group only. The respondents were predominantly women (90 percent) and professionals younger than 40 years old (60 percent).

Pursuing a career in public accounting is challenging, and the subcommittee sought to investigate why people are attracted to and stay in the profession. Many reported that the factors that were important in their decision to enter the profession were job stability, financial compensation, continuous learning and the fact that they thought the job was enjoyable. A little over half of the respondents (53 percent) aspire to serve as a partner or principal. Those who do not have a goal of partnership cited the lack of work/life balance and the responsibilities of partnership as influencing the trajectory of their career plan. Most of the respondents (83 percent) feel that they are currently on the right path toward their chosen career goal. They view training in technical and soft skills, gaining additional experience and access to mentors as important to their ability to achieve these goals.

How do you develop your career?

“Hard work, a positive attitude and taking on new challenges.”

“Identify your strengths and development needs and how you can utilize strengths and address needs to accomplish short-, mid- and long-term goals.”

“Set goals, maintain/improve skills and re-evaluate as needed with personal mentor.”

“By constantly striving to learn more and grow.”
Recognizing the role that soft skills play in career advancement, the subcommittee also solicited information about the nature of training programs currently offered by firms and the respondents’ perception of that training. A large number of respondents (72 percent) see soft skills contributing to their advancement. Respondents who completed the survey are most interested in programs focusing on networking (46 percent), management/leadership (45 percent) and public speaking (30 percent). About half reported that their firms provided formal training in these areas, and 63 percent worked at firms that provide informal training in these skills through efforts like mentoring. Many of the women also noted that they acquire soft skills through observation of other professionals and modeling of behavior in the firm.

The commitments and resources needed to support one’s professional endeavors can comprise of one or a combination of factors, such as a professional’s individual attributes, firm attributes and also factors specific to broader institutions of work in our society, that change over time. See Exhibit 1 for examples.

### Exhibit 1 – Commitments and Resources

<table>
<thead>
<tr>
<th>Individual Factors</th>
<th>Firm Factors</th>
<th>Society Institutions of Work Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting education</td>
<td>Hiring strategies and cost/benefits</td>
<td>State Boards of Accountancy rules, such as 150+ credits</td>
</tr>
<tr>
<td>Technical aptitude</td>
<td>Training strategies</td>
<td>Apprenticeship training model and internship practices</td>
</tr>
<tr>
<td>CPA or other specialty licenses</td>
<td>Schedule flexibility and remote work options</td>
<td>Trends in at-will, full employment or other contracted employment arrangements</td>
</tr>
<tr>
<td>Goals and plans</td>
<td>Promotion and retention strategies</td>
<td>Community resources and trends in outside resources for childcare and the elderly</td>
</tr>
<tr>
<td>Motivation and effort</td>
<td>Competition for staff</td>
<td>Mobility trends and their impact on retention of staff</td>
</tr>
<tr>
<td>Industry or Technical Experience</td>
<td>Firm growth and succession strategies</td>
<td>Firm consolidation industry trends</td>
</tr>
<tr>
<td>Priority of special family needs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The questionnaire also investigated work/life balance issues that continue to tax both male and female accounting professionals. Respondents provided information about flexible work arrangements at their firms and the attitudes towards and repercussions from these programs. Having access to non-traditional work schedules is important to professionals; however, the majority of respondents indicated that they do not have non-traditional arrangements at their current employer, as shown in Exhibit 2.

Most see access to an option to work from home or the ability to work flexible hours as important. Just over half reported that a non-traditional schedule had no impact on advancement, while others said it slowed (18 percent), facilitated (seven percent) or hindered (five percent) their advancement.

In an interesting result, many of the respondents (71 percent) noted that they would very much like to serve as a mentor but only 40 percent noted that they are currently a mentor. Many of those who are mentors (77 percent) believe that they have had a positive impact on their mentee. A significant majority of accounting professionals recognizes the value and importance of a mentoring relationship, both personally and professionally.

The response to the questionnaire, although fairly limited, provides the Career Development Subcommittee with a basis for understanding perceptions in the profession and for developing a plan to assist the Society membership. From this study, the subcommittee will orientate its work over the next year with a better understanding of the status of women professionals in the Society. As a first step, the subcommittee is hosting an online discussion forum on the issue of mentoring. Future forums will be used to gather feedback from members and to disseminate tips and strategies to professionals interested in career advancement. Visit the Women in Accounting Forum: www.MSCPAonline.org/WomenForum.

The Career Development Subcommittee is chaired by Margaret Kirschner, CPA. For more information about the survey and the Career Development Subcommittee’s work, contact her at kirschm@bu.edu.

---

**Exhibit 2 – Work/Life Balance**

- **How important is an option for an alternative work schedule is how important to you?**
  - Very Important: 30%
  - Somewhat Important/Neutral: 70%

- **What is the most accurate description of your work schedule?**
  - Non-traditional: 34%
  - Traditional: 66%

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IFRS for Small- and Medium-sized Entities (SMEs)

John L. Daly, MBA, CPA, CMA, CPIM, Executive Education, Inc.

What is IFRS for SMEs?
The July 2009 release of International Financial Reporting Standards (IFRS) for Small- and Medium-sized Entities (SMEs) is a major event in the adoption of international standards by U.S. companies. Since the AICPA’s May 2008 recognition of the International Accounting Standards Board (IASB) as a standard-setting body, IFRS for SMEs automatically becomes an acceptable basis for accounting in the U.S.

Prior to the release of IFRS for SMEs, professionals studying the U.S. adoption of IFRS generally concluded that public companies would lead the way in the U.S. adoption. However, since the SEC has made it clear that other problems are more pressing right now, it is quite possible that private companies, not public ones, will lead the U.S. adoption of international standards.

The IASB intended IFRS for SMEs to be the acceptable standard that most companies would use. The standard setters envisioned that companies with public accountability would use full IFRS and all other for-profit entities would use IFRS for SMEs. The IASB defined public accountability to mean public companies and those holding assets in a fiduciary capacity for outsiders such as banks, credit unions, insurance companies, broker dealers and mutual funds. They defined SMEs as everyone else. Thus, their definition of “small- and medium-sized entities” has little to do with size. A huge closely-held company might fall under IFRS for SMEs while a small public company might be subject to full IFRS.

The IASB estimates that 95 percent of the world’s for-profit entities would use IFRS for SMEs. The IASB acknowledged that legislatures and standard-setting bodies of each jurisdiction would make the decision about which entities would use each of the two IFRS standards. No international standards exist yet for nonprofit entities.

What You Need To Know
The good news is that IFRS for SMEs is relatively short. Presented on an odd-sized 6” x 9¾” paper with a tiny 8.5-point font, the full text runs only 231 pages. This compares to some 2,500 pages for full IFRS and 25,000 pages for U.S. GAAP. IFRS for SMEs is not some severely scaled-down standard designed for third-world countries but a comprehensive principles-based standard.

Other good news is that most of the standards discussed in IFRS for SMEs will seem familiar and common sense to U.S. accountants. There will be few unfamiliar terms. These are among the key provisions:

- **Inventory Valuation** – Inventory under IFRS is valued at lower of cost or selling price less cost to sell (net realizable value). While similar to the “lower of cost or market” used in U.S. GAAP, this is a harder analysis to perform due to the added requirement of estimating selling costs;

- **Fair-Value Accounting for Property, Plant and Equipment (PP&E)**, which is one of the major differences between full IFRS and U.S. GAAP, is not an option under IFRS for SMEs. Using historical cost is the only option. However, this is not the same historical cost methodology used by U.S. GAAP where accountants routinely ignore residual value and employ depreciable lives that sometimes represent merely half of economic reality. Under IFRS historical cost, companies adjust both useful lives and residual value as circumstances change.

While it will take most accountants well under an hour to understand the principles of IFRS historical cost accounting for PP&E, the amount of work to implement this standard may be considerable;

- **Revenue Recognition for SMEs** closely resembles full IFRS, which consists of relatively few principles-based standards. Unlike rule-based U.S. GAAP, IFRS expects accountants to apply and interpret revenue recognition principles to their own company’s situation;

- **Financial Statement Presentation** – IFRS for SMEs specifies the following basic financial statements:
  - Statement of Financial Position;
  - Statement of Comprehensive Income;
  - Statement of Changes in Equity; and
  - Statement of Cash Flows.

The standard also provides companies an alternative that allows them to show profit and loss on a separate statement from...
comprehensive income. In addition, when a company’s only changes in equity are to retained earnings and dividends, they may combine the Statement of Changes in Equity with the Income Statement.

The current IFRS standards specify what must appear on financial statements, but not how companies must present them. Current IFRS will have little effect on U.S. financial statement presentation. However, the current FASB/IASB’s financial statement formatting joint project could completely remake financial statements as accountants worldwide know them today.

While not well-known, despite a prominent article in the November 2008 Journal of Accountancy, this joint project would remake all of the basic financial statements used in the U.S. today. The project has been controversial, particularly in view that the Statement of Financial Position would no longer reflect a balanced “Assets = Liabilities and Equity” format.

Like the changes to accounting for PP&E, understanding the potential changes to financial statements is likely to be easy when compared to the work involved in implementing the changes. The proposed changes to financial statement formatting are not minor and may require completely different financial reporting software than you are currently using. Thus, companies should only undertake new information technology projects with a full knowledge of these potential financial reporting changes; and

Footnotes – IFRS for SMEs specifies financial statement footnotes must be in a systematic order and that companies must cross-reference them to the financial statements. This is a common-sense enhancement to financial statement readability.

Plan for the Future
Professionals who follow accounting standards generally agree that the U.S. will adopt IFRS. The only real issue is when. There also seems to be a consensus that the time accountants spend understanding the new standards will only be a small fraction of the work involved in the conversion effort. Most people estimate that IFRS conversion will involve an effort whose magnitude will rival implementation of Sarbanes-Oxley. Some estimates have been much higher.

Lessons learned from implementations in the United Kingdom tell us that most companies:
- Underestimate the amount of work involved in converting to IFRS;
- Start their conversion projects too late; and
- Fail to involve other departments, particularly IT early enough in the process.

While we do not yet know when companies in the U.S. will convert, we know that it is not too soon to begin thinking about the conversion process in our own companies.

John L. Daly, MBA, CPA, CMA, CPIM, is a Chelsea, Michigan–based management consultant who has taught continuing professional education seminars since 1995. He was previously CFO of a tier-one automotive parts supplier and a large restaurant chain. Daly is the author of Pricing for Profitability, published by Wiley & Sons, and is a frequent speaker on financial management topics for Executive Education, Inc.

1 Get the PDF version from IASB.org. You will be able to read this standard best on a portrait mode monitor at a 150% magnification.
2 Among these are biological assets and venturer. Biological assets are the living products such as livestock, crops and timber of a company engaged in agriculture. A venturer is a company involved in a joint venture.
Firm News

Caturano and Company, Boston, was selected as a 2009 Microsoft Worldwide Partner Conference Awards finalist in the Information Worker Solutions Partner of the Year, Search category. The firm also expanded its private enterprise services team dedicated to assisting family-owned and owner-managed businesses by providing services including audit, tax, accounting, management and technology consulting, transaction advisory and wealth management in a variety of industries.


Susan Dupuis, Esq., formed Dupuis & Company LLC, Boston.

Frank Gorrell, CPA, Global Security & Engineering Solutions, relocated to his division’s headquarters in Chantilly, Virginia.

Gray, Gray & Gray LLP, Westwood and Framingham, received a Gold and Silver Award in the 2009 Banker & Tradersman Readers Poll.

G.T. Reilly & Company, Milton, was named by Inside Public Accounting as a 2009 All-Star Firm.

Promotions and New Positions

Jeffrey Alvanas joined KAF Financial Group, Braintree, as audit senior.

Jennifer Matuszewicz Darby, CPA, was appointed senior accountant at Damon, Topham & Company LLC, Marshfield.

DiCicco, Gulman & Company LLP, Woburn, announced that:
- Celina Carter, CPA, Laura Gregoriadis, CPA, and Kris Hebert, CPA, were promoted to audit manager;
- Kate Ferenczy was promoted to marketing manager; and
- Kevin Maloof was promoted to audit senior.

G.T. Reilly & Company, Milton, announced that:
- Caleb F. Dean joined as staff accountant; and
- Melanie D. Duval, CPA, MSA, joined as senior tax accountant.

James H. Guarino, CPA/PFS, CFPR, MS, and Pamela L. Sintos, CPA, were named partners at MFA – Moody, Famiglietti & Andronico LLP, Tewksbury.

Marc P. Lamothe, CPA, was promoted to partner at Caturano and Company, Boston.
Len Pepe, CPA, joined CCR LLP, Westboro, as partner.
Raymon, Pielczak, Zexter PC, New Bedford, announced that:
- Douglas Mello, CPA, Derek J. Rogers, and Suzanne Senra were promoted to senior associates; and
- Thomas Rainford, CPA, was promoted to supervisor.
Kristi A. Reale, CPA, CVA, was promoted to senior manager at Meyers Brothers Kalicka PC, Holyoke.
Kevin Rhodes, CPA, joined PlumChoice, Inc., Boston, as chief financial officer.

Speaking/Writing/Community/Awards

James W. Barrett, CPA/PFS, MST, partner, Meyers Brothers Kalicka PC, Holyoke, was named to the Executive Committee of the Massachusetts Chamber of Business and Industry.


Howard Cheney, CPA, partner, Meyers Brothers Kalicka PC, Holyoke, was appointed to the board of directors of the YMCA of Greater Westfield.

Jeffrey V. Cicolini, CPA, vice president / shareholder, Alexander, Aronson, Finning & Company PC, Westboro, was named to the Worcester Business Journal’s 40 under Forty.

DiCicco, Gulman & Company LLP, Woburn, will be presenting three finance-related workshops at Build Boston, November 18–20.

Mark Dietrich, CPA/ABV, managing partner, Mark D. Dietrich, CPA PC, Framingham, spoke at the Federation of Independent Practitioner organizations in London, the NACVA Annual Consultants’ Conference in Boston and the AICPA National Healthcare Conference.

The following members were named to the Boston Business Journal’s Forty under 40:
- Robert Eddy, CPA, senior vice president and director of finance, BJ’s Wholesale Club Inc., Natick;
- Melissa Palmer, CPA, partner, PricewaterhouseCoopers LLP, Boston; and
- Alison Simons, director of marketing, Braver PC, Newton.

Frank Gorrell, CPA, compliance director, Global Security & Engineering Solutions, Chantilly, VA, spoke at 24th Annual Tri-State Conference in Boston and the AICPA National Healthcare Conference.

Barry MacBoutrie, CPA, director of technology, Kirkland, Albrecht & Fredrickson PC, Braintree, delivered a presentation on Business Continuity Planning at The Circle Summit 2009 Conference sponsored by Boomer Consulting, Inc.


Len Paolillo, CPA, CEO, Milk Street Productions, Natick, released the publication, Determine Your Net Worth, which includes a bonus Investment Property Analysis Worksheet.

Schwartz & Schwartz CPAs, Woburn, conducted an area food drive to benefit the Council of Social Concern, a Woburn-based nonprofit that offers food and assistance to local families in the Woburn and Winchester area.

MSCPA Staff

The AICPA honored Barbara Iannoni, academic and career development specialist, for her outstanding service and contributions to the Academic and Career Development Department.

To submit your member/firm news and announcements, please e-mail Erika Tchang, etchang@MSCPAnline.org.

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UPMIFA was signed into the Massachusetts General Law (MGL) under Chapter 180A in July 2009 and became effective retroactively for periods on and after June 30, 2009.

Accordingly, in Massachusetts, a nonprofit entity with a fiscal year ending on June 30, 2010, is subject to Massachusetts UPMIFA. Any periods that include June 30, 2009 are subject to it in relation to activities on and after June 30, 2009.

The FASB issued a staff position (FSP FAS 117-1) on August 6, 2008, titled “Endowments of Not-For-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for all Endowment Funds.”

A nonprofit organization that is subject to an enacted version of UPMIFA shall classify a portion of a donor-restricted endowment fund of perpetual duration as permanently restricted net assets.

For each donor-restricted endowment fund for which a portion is permanently restricted, a nonprofit organization shall classify the portion of the fund that is not classified as permanently restricted net assets as temporarily restricted net assets (time restricted) until appropriated for expenditure by the organization.

Under Massachusetts UPMIFA, an organization is given some latitude to appropriate so-called “underwater endowment funds.” In effect, it allows the application of a reasonable spending rate to all of a charity’s endowment funds, even if in a given case, the value of the fund may have dropped below the original gift amount. Any drawing on a fund must be prudent, and a charity must preserve an endowment fund as a permanent fund. The latitude provided by Massachusetts UPMIFA is especially helpful to charities in times of declining market values.

The inclusion of “prudent” in the title of the UPMIFA act is intended to indicate that actions taken under UPMIFA are to be taken with a “prudence factor” included in the considerations for taking an action.

Joseph C. Craig, CPA
is a principal at Parent McLaughlin & Nangle in Boston and is a member of the MSCPA Accounting & Auditing Committee. Craig can be reached at jcraig@pmn.com.
As a business owner, it’s important to be aware of the ways you can manage costs and attract top hires:

1. **Get benefits tailored for your specific industry.**
   Benefits packages are not one-size-fits-all. It would be a mistake to partner with a benefits provider that offers substandard benefits, or lacks the ancillary benefits that employees expect.

   One important distinction between benefits providers is whether they base their rates on the group experience of other companies in your industry, or simply the demographics of your specific company. If your provider does aggregate its entire customer base together for the purposes of providing benefits, you are likely to find yourself in a position where you can save time and money. Generally speaking, small companies are rated by the individual health care risk of each of their employees — but aggregating your company with other companies in your industry can help your organization contain costs.

2. **Control costs by encouraging consumerism.**
   Because the cost of health care can be so significant, the shift towards consumer-driven health care has become increasingly common. What is consumer-driven health care? The National Center for Policy Analysis defines it as “a health plan in which individuals have a personal health account, such as a health savings account (HSA) or a health reimbursement arrangement (HRA), from which they pay medical expenses directly.”

   These sorts of plans provide people with economic incentives to make wise decisions about their health care choices. They do not hide the true cost of the visit behind a low co-payment, and they cover preventive care and wellness programs without a co-payment, which helps people learn how to avoid expensive medical procedures down the road. By taking a proactive approach to their individual health, consumers — and their employers — can save themselves money.

3. **Manage benefits costs with technology.**
   In a recent study of small businesses who are using HR technology, the Gantry Group concluded that employees and managers can see significant cost savings through the use of online tools such as payroll entry and benefits enrollment. The cost of premiums isn’t the only thing that makes benefits expensive; the cost of administering benefits has to be factored in, too.
Making good use of benefits management automation is a critical best practice.

According to the Gantry study, which evaluated seven companies using Web-based HR tools to manage their human resources, the cost savings resulted in a Net Present Value savings of $24,570 over a three-year deployment as a result of prevented data errors. This does not factor in the time savings associated with using the Web to manage traditional paper-based activities, which the study estimates can save as much as 432 hours annually.

Savings derived from technology result from the ability to:

- Conduct faster transfers of enrollment information to benefits carriers;
- Realize significant savings in time required for data preparation and data entry;
- Improve employee satisfaction with benefits information access; and
- Reduce information errors in benefits enrollments.

4 Encourage health and wellness programs.
As you already know, benefits costs go up when employees use their benefits. Encouraging consumer-based approaches to health care can help minimize that, but you can also help prevent employees from utilizing their benefits by promoting health and wellness programs in the workplace.

Doing so can take several forms. You can offer discounts on gym memberships, suggest walking and fitness clubs, and distribute materials on eating healthy. In addition, carefully monitor employee workstations to ensure that they’re ergonomically correct. Doing so will help reduce injuries in the workplace — ones which could put an undue burden on both your benefits programs and your workers compensation carrier.

5 Prepare for the coming health care storm.
An important way to manage benefits is to prepare for impending changes in the health care landscape. This means paying attention to late-breaking federal and state regulations that, if not followed properly, could result in massive fines.

It’s not hard to see this happening in the near future; a cursory look at the headlines reveals that the American health care industry is in turmoil. In terms of the upcoming reform, it will likely include minimum funding requirements for employers — it won’t be acceptable, for example, to only fund 50 percent of a company’s employee-level benefits. Perhaps more sweeping is the fact that every employer will be required to offer some form of health care coverage.

The best way to prepare for these changes is to find a benefits partner who will:

- Keeps abreast of every piece of benefits legislation;
- Actively advocate for small business in both the political arena as well as with benefits carriers; and
- Help protect you from unforeseen laws, rules and fines heading into 2010 by arming your firm with information and expertise.

After 2010, it’s very likely that nothing will ever be the same. It’s a good idea to find a partner who knows the health care industry inside and out, and particularly understand how its continual evolution affects the needs of small business owners.
On August 21, the MSCPA’s Young Professional Community Service Committee hosted an Ask a CPA Day at the MSCPA’s office. Sixteen members volunteered to meet one-on-one with local small business owners and entrepreneurs. Over 30 business owners, ranging from artists, nonprofit managers, photographers to caterers, attended the event. The day was a huge success, and many of the business owners left feeling financially-sound and appreciative of the advice they received.

Thank you to the following members for volunteering their time and expertise to make the Ask a CPA Day possible:

- Philip Brady, CPA, PricewaterhouseCoopers LLP
- Diane Buckley, CPA, Croyle & Associates PC
- Charlotte Cathro, Raphael and Raphael LLP
- Kristin Costa, CPA, Braver PC
- David Fogel, CPA, Swifton CFOs
- Michael Geher, CPA, Braver PC
- Josh Goldfine, Braver PC
- Adam Gorlovsky-Schepp, CPA, Raphael & Raphael LLP
- Catherine Hayes, CPA, Cowan, Bolduc, Doherty & Company
- Martin Kofman, CPA, Martin Kofman, CPA
- Mohammad Marzuq, CPA, PricewaterhouseCoopers LLP
- Susan Porter, CPA, Croyle & Associates PC
- Janet Takaringwa, Braver PC
- Doug Thorpe, CPA, Johnson, O’Connor, Feron & Carucci LLP
- Sean Wandrei, CPA, Meyers Brothers Kalicka PC

The committee plans to organize similar events in the future throughout the state. If you’re interested in learning more, e-mail Kara Kieran, kkieran@MSCPAonline.org.

“Thank you so very much for the assistance. I would rate the experience as top notch. The volunteer CPAs (Gene and Catherine) were extremely knowledgeable, helpful, kind and really knew their stuff. Thanks again. This has set me on the right track.”

“I think the Ask a CPA Day was a good way to meet a CPA in a non-threatening environment. I have followed up the advice given and do plan to retain the accountant I met with. It was beneficial for me and I would recommend it to other small business owners.”

Because at the end of the day, it’s about more than perks and promises.

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Young Professional Community Service Committee Raises Over $1,800 to Benefit the St. Francis House

On August 27, the Young Professional Community Service Committee held a fundraiser to benefit the St. Francis House at McFadden’s in Boston. The St. Francis House is the largest day shelter in New England that feeds an average of 800 people a day and offers clothing, showers, art therapy, counseling and medical attention.

The committee collected more than 25 great raffle prizes from local restaurants, sports teams and organizations. Between member donations and raffle ticket revenue, over $1,800 was raised. The proceeds from this event will go directly to the St. Francis House.

“Thank you SO MUCH for coordinating and hosting such a lovely event! We keep telling everyone what an incredible job you did and how much we appreciate it! Thank you again.”
- Judi DeJager, St. Francis House Major Gifts Officer

Annual Young Professional Night at the Red Sox

The MSCPAA hosted a networking event at Fenway Park on August 11. Over 100 young professionals enjoyed a pre-game networking event with an open bar and pizza at Copperfield's before watching the Red Sox take the 7–5 win over the Detroit Tigers.

Special thanks to the following sponsors:

All MSCPAA members 35 years of age and under are automatically included on the young professionals mailing list. To ensure we have your date of birth on file, please update your profile online: www.MSCPAAonline.org/update_profile. Please e-mail Kara Kieran, kkieran@MSCPAAonline.org, for more information or to share your ideas, thoughts and feedback on young professional events.

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- Advertised to universities and colleges throughout the state;
- Linked to our Web sites MSCPAonline.org and CPAtrack.com;
- Highlighted in SumNews;
- Given two complimentary invitations to the Annual Meeting & Recognition Reception on May 19, 2010, at the Boston Marriott, Copley Place. The event will honor scholarship winners, exam passers and the Society’s newly-elected board of directors and its officers;
- Acknowledged in the written program of the Annual Meeting & Recognition Reception; and
- Entitled to a $125 savings on a full-page ad in the program book for the Annual Meeting and Recognition Reception.

This program is a win-win proposition designed to benefit worthy students and advance the profession in Massachusetts while providing public recognition for your firm. Please contact Barbara Iannoni, biannoni@MSCPAonline.org, for more information.

Attention HR Managers:
Looking for new hires?

Don’t miss the opportunity to include your firm in the upcoming 2010 edition of the College Student’s Guide to Accounting Firms in Massachusetts. A valuable resource for job seekers of any experience level, this directory is one of the most-frequently downloaded documents on MSCPAonline.org and CPAtrack.com. The print edition is distributed to accounting departments and career centers of colleges throughout the Commonwealth.

It’s the one book your firm must be in! For more information, contact Barbara Iannoni at 800.392.6145 or biannoni@MSCPAonline.org. View the 2009 guide: www.MSCPAonline.org/pdf/careers09.pdf.

Careers in Accounting and Management Profession (CAMP) Program

This past summer marked the 12th annual Careers in Accounting and Management Professions (CAMP) program offered by the Isenberg School of Management at UMass Amherst. Co-sponsored by the Society, this unique opportunity enables high school students of diverse ethnic backgrounds to see first-hand what the accounting world is all about. The curriculum includes various workshops and activities that build and strengthen their leadership, communication and analytical skills.

The budding young professionals made a mid-week fieldtrip to Boston, where they experienced the Society’s boardroom environment up close and personal while meeting representatives from the National Association of Black Accountants (NABA) and the Association of Latino Professionals in Finance and Accounting (ALPFA). Two guest speakers, Aisha Nelson and Carlos Cevallos of PricewaterhouseCoopers, enlightened them about the limitless possibilities of the accounting profession along with tips for their own career paths.

After lunch, the students boarded their bus and headed toward historic Fenway Park for a tour of the park, complete with a private meeting with Red Sox CFO and MSCPA member Steve Fitch, controller Mark Solitro and a special visit from retired CFO Bob Furbush. After getting a glimpse of those famous World Series rings, the day concluded with a visit to Deloitte to get a first-hand look inside a “big four” accounting firm.

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Form 709: “Simple” Scenarios, Common Mistakes

Bunker L. Highmark, Esq.

Every year, CPAs prepare Forms 709 to report, among other things, the latest gift to a grandchild, contribution to a trust or transfer of an interest in a family controlled entity. Is the gift split with a spouse? How much exemption has already been used? Is the gift to a skip person (a person assigned to a generation which is one or more generations below the generation assignment of the transferor)? Simple enough, right? Many times, yes, it is. Unfortunately, that isn’t always the case. Quite often the mistakes made on Form 709 aren’t related to complex transfers but rather to gifts that on their face seem quite ordinary. Below, some of these common mistakes are identified along with strategies to address them.

Gifts to a Trust and the Annual Exclusion
Consider the following scenario: a client comes in to talk about preparing a Form 709 for the past year and mentions that rather than continue to make outright gifts to her three grandchildren each year, she has created a trust for their benefit and made one lump sum gift to that trust. She says that her attorney told her that by proper use of Crummey powers, her lump sum gift of $39,000 qualifies for the gift tax annual exclusion.

While this is true, the mere fact that a transfer qualifies for the gift tax annual exclusion does not automatically mean that the transfer also qualifies for the Generation-Skipping Transfer (GST) tax annual exclusion. The GST
tax annual exclusion rules include two additional requirements for transfers to a trust: (1) the trust must be for the benefit of a single “skip person” and (2) the trust must be includible in that skip person’s gross estate if the trust does not terminate before his or her death. If your client’s transfer does not meet these extra tests, while the gift tax annual exclusion applies, the GST tax annual exclusion does not, which means that your client has used up $39,000 of GST tax exemption (assuming she has some available). This key difference between the annual exclusion rules of the two taxes could have little impact on your client, or it could result in an unexpected tax bill. The ultimate consequences will depend on each person’s individual situation, but you must first recognize the situation and prepare the return accordingly.

Multiple Gifts During the Year: Timing Problem
The fact that a gift must qualify for the gift tax annual exclusion in order to qualify for the GST tax annual exclusion can lead to a very common error on Form 709. Building on the previous example, assume that a gift of $39,000 is made to a trust for the benefit of three grandchildren, and, as discussed above, the gift qualifies for the gift tax annual exclusion but not the GST tax annual exclusion. Later on in the same year, the client makes additional $13,000 cash gifts directly to each of her grandchildren. These gifts do not qualify for the GST tax annual exclusion. Why? The answer lies in the timing of the gifts. Since the gifts to the trust qualified for the gift tax annual exclusion (and used up the entire annual exclusion amount for each grandchild), the later cash gifts do not similarly qualify, and instead result in taxable gifts. If a gift does not qualify for the gift tax annual exclusion, it cannot qualify for the GST tax annual exclusion, so now the client has used up $78,000 of her GST tax exemption.

The worst aspect of this result is that it is readily avoidable — but only if you know what your client plans to do during the year, and you can organize the gifts properly such that the most efficient use of annual exclusions is achieved. Most times our clients come to us at the end of the year, after the damage has been done. In these cases, the best we can do is (1) make sure the gifts are properly reported on the 709 and (2) educate the client so that future gifts can be properly coordinated to avoid a bad result.

Transfers to GST Trusts with ETIPs
This scenario begins with a client creating and funding a GST Trust subject to an estate tax inclusion period (ETIP), during which, if the transferor dies, the transferred property will be includible in his or her estate for estate tax purposes. This type of trust is typically a grantor retained annuity trust (GRAT) or qualified personal residence trust (QPRT), and for our purposes we will use a 10-year QPRT as the example. Typically, GST exemption is automatically applied to a QPRT, barring an election to opt-out on the 709. Under IRC Section 2632(c)(4), allocation of GST exemption does not occur until the expiration of the ETIP, rather than at the time of transfer. For many preparers, this seems ideal. Since they know that while it is unlikely the client will want to apply GST exemption to the QPRT, they can wait until the end of the 10-year term and make the decision at that time, based on the current circumstances. The client, however, may not be too happy with this result. First, you obviously need to remember to file at the end of the ETIP and opt-out, if the client so desires; failure to do so simply wastes a portion of the client’s GST exemption. The real drawback to the second filing, however, is that in most cases it generates additional cost for the client since you have to prepare two returns for what he or she sees as a single event (i.e., to report the initial gift to the QPRT and the later return to opt-out).

For most clients, the more efficient approach cont. on page 20
to this situation is to opt-out of automatic GST exemption allocation when filing the initial gift tax return. In most cases, this will be the desired result at the end of the ETIP; therefore eliminating the extra expense to the client of filing a second 709, or of forgetting to do so and wasting GST exemption. Of course, if allocation of GST exemption is desired, you can still file a second return and opt-in.

ETIP Trusts and Gift Splitting

Let’s look at one more issue that involves trusts with an ETIP. Assume that your client decides to create and fund a 10-year QPRT with property that is solely in his name. Due to previous gifts, the client does not have sufficient gift tax credit remaining to avoid paying some gift tax upon funding the QPRT unless he splits the gift with his wife. This is not a good option. If the client dies prior to the end of the 10-year term the entire gifted property is included in his estate for estate tax purposes, and his half of the initial gift (split on the 709) is removed from his “adjusted taxable gifts.” However, neither the client nor his spouse can reduce his or her “adjusted taxable gifts” for the spouse’s half of the gift. The net result of this split QPRT gift is essentially taxation of the same property one and half times.

The easiest solution to this problem (if one spouse cannot fully fund a QPRT without paying gift tax) is for each spouse to own a partial interest in the property, and to transfer his or her interest to his or her own QPRT. However, if your client makes regular gifts each year that are always split on the 709, you may still have a problem.

Under IRC Section 2513, the splitting of any gift in a particular year requires the splitting of all other gifts within that same year (unless the spouse is a beneficiary of a particular gift). As discussed above, you never want a gift to a QPRT (or any ETIP trust) to be split, even if you are using separate QPRTs. Therefore, you must make sure that any gifts made by the clients during a year in which they fund a QPRT, GRAT or similar ETIP trust be made separately by each spouse rather than split on the 709.

Don’t Miss the Nuances

As the above examples have shown, what appear to be simple transfers that are easy to report may in fact be traps that could cost your client, at best, wasted exemption or, at worst, quite a bit of money. When reviewing a transfer for purposes of preparing Form 709 it is important to consider the GST and gift tax implications separately, as well as future ramifications of any decision you make when reporting the transfer.

Bunker L. Highmark, a lawyer in the Wellesley office of Gilmore, Rees & Carlson PC, concentrates his practice in estate and tax planning and estate administration. He can be reached at bhighmark@grcpc.com.

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1 Internal Revenue Code (“IRC”) Section 2613(a)
2 IRC Section 2642(c)(2)
3 Treas. Regs. Section 25.2503-2(a)
4 IRC Section 2642(f)(3)
5 As defined under IRC Section 2632(c)(3)(B).
6 IRC Section 2642(f)(3)
7 IRC Section 2632(c)(1)
8 IRC Section 2001(b)
Complete course listings and registration information are available online at: MSCPAonline.org/cpe

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**Indicates course qualifying for Yellow Book credit**

Additional courses may be claimed for Yellow Book credit, depending on the auditor’s professional discretion.

$/$ = Member/Non-member
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**Annual Nonprofit Conference**

Thursday, January 21, 2010
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2010 Peer Review Scheduling: Important Information for All Enrolled Firms

The Peer Review program moved to a new Web-based system in early September in an effort to streamline the Peer Review process as we move towards a paperless society.

Firms will receive instructions via e-mail to schedule their reviews directly online through the new PRISM computer system. This will help to minimize mistakes from Administering Entity entries made from written copies, as well as remove the need for costly mailings.

Firms are encouraged to provide us with a current e-mail address in order to receive the e-mail notification with the direct link to access the scheduling form. Firms without an e-mail on file will still receive these instructions via snail mail.

If you have any questions or need assistance, contact the Aury Sanchez at 617.303.2408 or asanchez@MSCPAonline.org.
To Transition or Sell Your Practice

Stephen Weinstein, CPA

Many practitioners, who have built a profitable practice over years of hard work, may find themselves wondering who will be there to continue the firm when they begin to slow down or retire. This succession issue has become one of the most troubling concerns facing firm owners.

Unfortunately, it appears that the number of young ambitious entrepreneurial people in the profession is far below the future demand. Many partners/owners of established firms do not believe that they have the next generation of ownership talent presently in their firms. In addition, they have been unable to find these people regardless of how aggressively they try to recruit them.

Therefore, practitioners, especially sole proprietors and small firms (who have the most difficulty finding/developing their replacements), are faced with alternatives that most find much less attractive:

- Sell/merge the firm with or into another firm; or
- Keep working (and watch the revenue of the firm stagnate and gradually decline, until they eventually close the doors or die).

The Solution: What Can You Do To Avoid A “Fire Sale”?

The key is to start the process, described below, early enough so that a planned approach can be implemented, which will produce viable results on a timely basis. The first step is to take a day out of the office to explore the issue and all options. This “retreat” should include all owners and, ideally, an experienced practice management facilitator. Topics should include:

- The review of each owner’s personal retirement plans. Although this could actually change daily based on personal or family health issues, a huge change in the stock market (e.g., 2008 and 2009) or other important economic or societal high-impact news, it is important to get each owners’ present view “out in the open.” I have witnessed many surprises during these discussions, where another owner says something like, “I had no idea your retirement views had changed so dramatically.” It is, therefore, quite important that each person’s current plans be documented in writing, so that this information can be reviewed and updated regularly at later dates. The owners need to discuss, and carefully evaluate, the plans of every owner, since various critical decisions will depend on the sum total of the individual plans.

- The evaluation of existing personnel (i.e., all who potentially might become owners in the future). It is not unusual for owners to quickly discount the staff’s abilities and interests, regarding becoming
owners. As indicated, few firms have the “perfect candidates” in place progressing toward future ownership. Thus, owners need to fully evaluate all existing experienced staff, even though their initial reaction might have been negative. Note: A couple of interesting, actual cases appear later in the article.

- The exploration of the pros and cons of each of the following options:
  - Transitioning and selling the practice to the next generation internally;
  - Merging with a smaller firm;
  - Merging with a similar-sized firm;
  - Merging with a larger firm; or
  - Working until retirement (e.g., gradually slowing down and eventually “closing the doors”).

Once again, it is doubtful that the “perfect” solution will be available as owners approach retirement. There will be pros and cons of each alternative. In general, owners seem to prefer the internal option (if available) because it retains the firm as is (e.g., name, facility, people and culture) and is perceived as the best option in allowing the retirees to continue to work on an ongoing (e.g., reduced) schedule.

- Determining which of the options are most attractive.
   As part of this evaluation, the probability of achieving the desired result must be honestly considered. For example, if your choice is to merge with a large firm, this might be quite possible if you are located in a large city but very improbable if located in a small and distant town. The partners must then make decisions (e.g., what is their first choice, second choice and what is not a viable choice).

   It is critical that the owners not only make the decision but also begin to aggressively implement an action plan to achieve the desired result. The decision may include multiple options that might be pursued simultaneously or sequentially. For example, the owners may decide that if they found a really good downstream merger candidate (e.g., a firm with one or two strong young owners), that would be their first choice, but at the same time, they believe that they could develop an internal option if they counsel and develop a proposal for two existing staff people. Accordingly, they might decide to aggressively pursue both options simultaneously.

- Discussing how/when to find/develop the selected option.
  Time should not be wasted in initiating these plans. It is not unusual for merger conversations and/or internal agreements to take a year or more. Day-to-day client matters too easily sidetrack people. Accordingly, a timetable should be established in writing and one owner should be assigned responsibility to “head up” each (or all) initiative(s). Staying on track is absolutely critical to achieve success.

- The development of an action plan (who will do what, by when).
  The action plan should have three columns, the first to list each of the specific action steps, the second for a person’s name as the responsible party, and the third with a due date. This action plan must be monitored regularly.

The following are two examples of actual situations that both involved firms where the owners originally doubted whether their staff would be interested in becoming owners, willing to assume the entrepreneurial risk, able to come together as a team and be capable of carrying on the firm (i.e., retaining the clients, transitioning all of the existing owners other administrative/managerial responsibilities, and having the future resources and commitment to buy out the retiring owners):

1 A two-partner firm had two other experienced people who had both been with them for about 20 years. These two were excellent workers but did not appear to have the attributes or interest necessary to take over the firm. After pursuing several merger opportunities, all of which did not materialize, the owners decided to ask the two if they would be willing to consider buying them out. With my help, the owners drafted a tentative proposal, which was presented to the two “managers” to provide a starting point for the discussions. Unfortunately, after several meetings, the two managers decided that they could not take on the costs and risks of becoming owners. Although this succession alternative was taken “off the table,” both cont. on page 26
managers continued to work and perform well in the firm. The two partners felt quite good that they had only given these individuals the opportunity, but they now knew that they definitely had to pursue other options; and

A firm had several experienced people on their staff, some whom have been with it for 10 years or more. Most were women who had family responsibilities, and some were presently on part-time schedules. These people were asked if they would be interested in the possibility of coming together as a future partner group to take over (and buy out) this founder group. I was asked to present a practical workshop seminar for this group to explain all the aspects/risks of firm ownership, the terms of buy outs and the time period and actions required to put this transition together. I subsequently interviewed each person individually to discuss their own situation, to ascertain their level of interest and concerns and to answer their personal questions. This was followed by a discussion with the founders and the development of a discussion proposal and an action plan. At the time of publication, the conversations were still progressing. If they choose to proceed, actions will be taken.

If, however, the parties decide not to pursue this initiative, the partners will be quite pleased that they initially gave their people the ownership opportunity and that they must now aggressively pursue one or more merger options.

Even if the existing staff may not seem to be “perfect” candidates, these examples point out the potential value of considering the “internal” option. If this does not materialize as a viable option, the owner(s) can move forward with a clearer conscience and more specific direction.

Conclusion
For many firms, the time is now! Partners who are considering slowing down or retiring during the next several years should make this issue a top priority. All of the options need to be fully evaluated! Specific actions need to be taken and monitored closely. A successful (personal and financial) retirement may depend on this.

Stephen Weinstein, CPA, is a nationally known advisor to CPA and other professional firms. He specializes in succession matters (including buy-in and buy-out/retirement issues), enhancement of firm profitability, strategic planning and retreats, and is a mergers/acquisitions consultant and matchmaker. He can be reached at swadvisor@comcast.net.

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In recent months, securing bank financing for the CPA’s small- to medium-sized business clients has become more complicated and burdensome. The process is a greater challenge when some of the clients lack the requisite skill set for effectively interacting with key bank personnel. Obviously, this is a great opportunity for CPAs to assist their clients and provide them with the necessary guidance for successfully dealing with banks. It may also have the unanticipated consequence of providing the perception that your firm has a commitment to quality and excellence.

The following three areas represent management advisory service opportunities in which a CPA can assist his/her client and increase firm revenue:

- New financing opportunities;
- Existing financing opportunities; and
- Dealing with covenant violations and the bank.

cont. on page 28
New Financing Opportunities:
1) Identify your clients that need financing. This would be based on the analytical analysis of the last fiscal year-end financials and the interims, as well as other relevant financial information.

2) Request a meeting with your client to discuss and determine whether a need exists for securing adequate financing for the company. Review and discuss any anticipated and/or unexpected financing needs, including their specific business purposes. Relatedly, inquire whether the client is planning long-term or short-term financing. Some of the reasons for financing may include taking advantage of the interest rate environment (e.g., what index is the loan tied to — Prime, LIBOR, Treasury, etc.), cash out to borrower, financing the acquisition of real estate, and/or new equipment.

3) If your client is planning to construct a new retail/office/industrial facility, then ask to sit in with them on the planning the new project. This will establish the length of time for each of the three critical phases of the project, including construction phase, lease-up phase and stabilization of the property. In turn, you can help determine the proposed financing’s timeline of construction to permanent financing to sync with the projected cash flows.

4) Once the financing has been identified and quantified in a construction budget, determine what the historical and projected cash flows will look like with the proposed debt financing. In what month will the construction budget be acceptable to the bank?

5) I cannot stress how important the construction budget is. Determining the construction budget and projected cash flow assumptions is tremendously important as it will most likely be used by the appraiser to determine the “as complete” market value of the proposed project. The Marshall & Swift guides are available to help determine the reasonableness of the construction budget.

Existing Financing Opportunities:
1) Obtain and review a copy of the client’s notes and loan agreements. What key covenants has your client agreed to with its bank? When are the financial statements and related information due to the bank, and can that date be modified? Most likely, they can if you can persuade the lender to modify the due date.

2) Explain the notes and loan agreements to your clients.

3) Is there a prepayment penalty for the loan? If so, how is the prepayment penalty calculated?

4) Rate review. How much is your client paying for an interest rate? Is this interest rate comparable to rates offered by three to five other well-capitalized banks.

5) Keep a list of all your clients’ new loans, identifying the new interest rate and the purpose of the loan. What is the range of rates?

6) Once the loan is closed, show your client how much money they are now saving because of you!

Dealing with Covenant Violations:
Review the fiscal year-end and/or interim financial reporting, and determine if a significant risk exists that the client will not meet one or more of its financial covenants. If such a risk is present, what should be the CPA’s plan of action?

One approach: the annual audit/review is nearing completion, and it appears that the client is going to violate one or more of its loan covenants. Some examples in which a CPA can deal with these issues are:

- **Issue #1:** DSC is below 1.20x.

  **Recommendation:** Determine if there are any “one-time” charges or anomalies. If so, try to persuade the lender into adding these charges back to help normalize current year cash flow to historical levels. If there are no add-backs and the reason for the low DSC is due to higher debt loads, then try to have your client establish milestones with the bank for subsequent years that will reward the client with a lowered rate of interest. For example, the current rate now is 7.5 percent on an interest only basis for a $5 million line of credit. If the client can achieve a 1.20x DSC by next fiscal year-end, then the bank may reduce the rate by 0.50 percent, or an annual savings of up to $25,000!

- **Issue #2:** Debt to net worth exceeds covenant ratio.

  **Recommendation:** First, confirm the current RMA industry average debt to net worth ratio by sales volume for your client. Is this comparable to bank expectations? Secondly, one strategy that could be employed would be to advise the client about setting up milestones to reduce leverage on a quarterly or semi-annual basis. This might include restrictions on cash distributions or shareholder loans that are not subordinated.

- **Issue #3:** Minimum tangible net worth is too low.

  **Recommendation:** Determine the specific calculation and what balance sheet general ledger accounts are excluded. In determining the tangible net worth, the banks will typically exclude goodwill, intangible assets and customer lists. However, some banks might also be excluding inter-company receivables or other inter-company accounts. Consult with your client to determine how the bank is calculating this ratio. Again, knowing each of your client’s key covenants and their specific calculations is invaluable.

Summary:
During these tough economic times, advising clients on bank financing is a profitable management advisory service opportunity for CPAs. The CPA’s involvement and expert assistance in the areas of new financing, existing financing and covenant violations will enable the client to realize substantial financial benefits and the CPA firm will increase its revenue.
MSCPAonline.org received a face-lift this fall. The new and improved site highlights the information and resources most important to you and your colleagues.

**New Member Center**

After logging in on the homepage, the Member Center contains all information pertaining to your MSCPA membership and MSCPA activities. The Member Center includes:

- All MSCPA membership administrative functions, such as Pay My Dues, Update My Profile, E-mail Subscriptions, My Benefits and Print My Membership Card;
- Committee Information;
- New Community & Networking page with links to networking opportunities and MSCPA social media;
- New Emerging Professionals page;
- Event Photo Galleries;
- MSCPA Newsletters;
- Member Forums;
- My Firm (firm administrator only);
- MSCPA Firm Directory; and
- Much more.

**New CPA Resources**

The CPA Resources section provides a one-stop shop for information about the profession and current updates. The CPE Resources section contains:

- IRS and DOR Updates;
- Industry Center;
- Classifieds;
- Peer Review Information;
- Practitioner Tax Center;
- New Special Interest Group pages, such as Women in Accounting Resource Center and Sole Practitioner / Small Firm Center; and
- Reference Library with guides, such as document retention and sample engagement letters.

**Other Improvements**

In addition to major re-organizational changes, MSCPAonline.org also made these enhancements:

- Re-designed MSCPA homepage with rotating feature content with a corresponding photo and a more prominent graphic for the public to access the Find a CPA Directory;
- The former Government Affairs page has been renamed Advocacy; and
- The MSCPA Publications page in the About Us section highlights the process of being published in MSCPA Newsletters and provides the style guide for submissions.

If you have any questions about MSCPAonline.org and its new layout and design, please contact Erika Tchang, etchang@MSCPAonline.org.
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On September 30, the Society hosted its inaugural Women to Watch Awards Reception at the Westin, Waltham. The reception honored five outstanding women in the CPA profession.

Leslie Murphy, CPA, president & CEO, Murphy Consulting, Inc., former partner at Plante Moran and 2005 chair of the AICPA, kicked off the event as the keynote speaker. Murphy shared her personal experiences as a woman who’s worked her way through the ranks in public accounting. She also provided attendees (both men and women) with insight and guidance on what she believes are the keys to a successful career and life/work balance:

• Know yourself;
• Sense of humor;
• Flexibility with personal and professional life;
• Taking credit for your hard work and accomplishments;
• A great support system;
• Prioritizing;
• Delegation;
• Taking care of yourself; and
• Enjoying the ride.

Murphy’s presentation was inspiring to both the individuals in the audience and the firms that are working to increase their women’s initiatives and develop women’s programs.

After the recipients received their awards they enlightened the attendees with their personal experiences and accomplishments in a panel discussion moderated by Murphy. The panel touched upon many topics of interest: the importance of mentoring; advice they’d give to their male colleagues; leadership traits; the importance of developing a professional network; ongoing education and learning; and much more.

The event concluded with a networking and cocktail reception.

Special thanks to event sponsor Fidelity Investments, who donated $500 in each recipient’s name to the MSCPA Educational Foundation.

Special thanks to event exhibitor CCH.
Emerging Leaders

Rachael Bradley, CPA  
Senior Manager, PricewaterhouseCoopers LLP  
“A consistent theme through all of Rachael’s activities is her commitment to sharing her knowledge and helping those around her to develop personally and professionally. She is a sought-after coach and mentor to her teammates. Rachael is a role model and leader in our profession.”  
- Barry Nearhos, CPA,  
Managing Partner, PricewaterhouseCoopers LLP

Hillary Burr, CPA  
Manager, Wolf & Company PC  
“Through her efforts in professional development and community services, Hillary has consistently demonstrated the character and commitment of an emerging leader within the public accounting profession. Hillary has also made ongoing contributions to the public awareness and student recruitment initiatives undertaken by both the MSCP and AICPA to ensure the continued growth of the profession.”  
- Michael Stravin, CPA,  
Principal, Wolf & Company PC

Kristin Costa, CPA  
Manager, Braver PC  
“Kristin is a role model to staff and plays an integral part in developing staff through mentoring and on-the-job training as well as in-house training sessions. She displays a genuine interest in the career development of others and mentors three junior staff.”  
- Patrick Riley, CPA,  
President & CEO, Braver PC

Experienced Leaders

Krissy Davis, CPA  
Partner, Deloitte & Touche LLP  
“Krissy’s accomplishments and leadership qualities are not limited to her technical expertise. She was a pioneer in implementing new models for work – life balance on her project teams well before the firm formalized its approach, which is known as Mass Career Customization. On one of her largest engagements, which required long hours and frequent travel, Krissy introduced a weekly meeting to discuss the team’s personal priorities – whether training for a marathon or taking time off for a child’s birthday – and then incorporated them into the team’s schedule for the week. Her leadership on this issue earned her the respect and loyalty of her team and contributed to a more successful project for the client.”  
- Susan Esper, CPA,  
Partner, Deloitte & Touche

Debra Mitchell, CPA, MBA, MST  
Principal, Braver PC  
“By working in an office with five male partners and one female partner, Debra is able to showcase herself in the office and reveal to her peers she can handle any professional situation for our clients. Having a female role model in a higher level of authority is something that many female employees at our firm definitely need to see and be aware of. Debra, as a leader, will only help increase the number of females in leadership positions in this industry.”  
- Lindsey Albernaz, Senior Accountant, Braver PC
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