

disclosures

THE OFFICIAL MAGAZINE OF THE VIRGINIA SOCIETY OF CPAs

WINTER 2023

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LET *some* GO

5 reasons you need to prune your client list



- + NFT primer
- + Automated tax prep
- + CPAs' business (ad)ventures



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150 hours: To change or not to change?

The 150-hour educational requirement for CPA licensure went into effect in Virginia in 2006. Since then, we've heard from VSCPA members — CPA leaders across organizations of all sizes — questioning if the 150-hour requirement is a barrier to entry in the profession.

At a time when we're actively investigating ways to *reduce* barriers to entry and *increase* the CPA pipeline, we took these concerns seriously.

Last summer, the VSCPA Board of Directors convened a special 150-Hour Task Force comprising Board representatives, Diversity, Equity & Inclusion Advisory Council members, as well as other members, educators, and a representative from the Virginia Board of Accountancy. The Task Force was charged with making a recommendation to the Board on if the VSCPA should change its standing position supporting the 150-hour requirement for licensure.

The process was no small task, and many Task Force participants admitted to being surprised at what they learned about the requirement and its history. The group evaluated historical data, reviewed relevant statistics, surveyed VSCPA members, and spoke with students and experts.

Ultimately, the Task Force developed a draft position to present to the Board at its January meeting. After in-depth conversation and work, members reiterated that maintaining substantial equivalency in Virginia is a top priority. However, the Task Force believes it's also clear the requirement does not meet the profession's expectations overall, and it needs to be redefined.

The final position will be voted on at the Board's April meeting, and we'll



provide you with more information. We understand many members have questions about the 150-hour requirement and how the Task Force arrived at its decision. The spring issue of Disclosures will have an in-depth feature explaining the requirement, its criticisms, and the members' ultimate decision.

The 150-Hour Task Force demonstrates how the Board is listening to members' concerns and formulating ways to address them. The Board's Capacity Task Force is currently reviewing ways to help alleviate your recruitment and retention issues, for example.

Watch further communications for more information on the 150-Hour Task Force's work. ■

Stephanie Peters, CAE, has served as VSCPA's president and CEO since 2007.

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Gary Thomson, CPA



Stephanie Peters, CAE



Maureen Dingus, CAE



To *retain* employees, ask these 4 questions

With many CPAs working in a hybrid model, managers are finding it challenging to provide the support and accountability staff need to succeed. In a VSCPA virtual roundtable, Jeff Phillips, founder of remote staffing platform Accountingfly, said CPAs must make adjustments to retain talent.

One tactic? Survey employees as much as possible — in some cases, once a week! But, Jeff warns, “Don’t survey if you’re not ready to change.” Here is a four-question survey model Jeff recommends. Ask employees to answer on a scale of 1 through 5.

1. Do you have what you need right now to do your job?
2. How satisfied are you right now with your work/life balance?
3. Do you feel engaged with your team?
4. Do you feel clear with what your job is right now?

People often leave the profession because they’re not clear on what they do, they feel alienated from their team, or they don’t have the training and tools necessary to do their job, Jeff says. The four-question model is a starting point for managers to have conversations with employees *as issues arise*, rather than letting them get out of control.

VSCPA members can save on remote work talent through a [partnership with Accountingfly](#).

YOU SAID IT >>

Prep for a recession this year

Nearly 60% of you believe the U.S. economy will head toward a recession in 2023, according to our annual Economic Expectations Survey conducted last fall in partnership with Virginia Business magazine.

But perhaps there’s a silver lining. Though you predict a recession for the U.S. economy, you’re slightly more optimistic about the fate for Virginia. Only 36% are very or somewhat pessimistic and a full 34% are even somewhat or very optimistic about the Commonwealth’s outlook.

The survey found four factors that are currently weighing the economy down:

1. Interest rate hikes by the U.S. Federal Reserve.
2. Labor shortages and costs.
3. Rising health insurance costs.
4. Growing cybersecurity threats.

[Read more about the survey online.](#)

Cyberthreats pose grave risks for CPAs

Can small and mid-sized accounting firms survive severe cyberattacks? Well yes, say 75%, but only for three to seven days, according to a [survey commissioned by CyberCatch](#). Out of the 1,200 respondents, 34% do not test employees for phishing and only 30% have an incidence response plan. These findings corroborate Virginia CPA’s cybersecurity concerns revealed in last fall’s [Future of Work Survey results](#).



TICKER

4.9

The percentage year-over-year increase in CEO pay at Virginia's largest publicly traded companies, with an average compensation of \$8.45 million.

\$26.7 MILLION

The 2021 compensation of the highest-paid CEO at a Virginia publicly traded company (Ashburn-based DTX).

75

The percentage of organizations with more than \$500 million in revenue that have experienced a serious cyberattack in the past three years.

\$3.4 MILLION

The average cost of damage caused by a cyberattack at those businesses.

\$22.8 MILLION

The amount Virginia recently received in federal money for abandoned mine land reclamation projects.

\$2.6 BILLION

The amount of medical debt owed by Virginians as of August 2022.

\$2,083

The amount in medical debt averaged out per Virginian.

54

The percentage of S&P 500 companies that say their audit committees are responsible for cybersecurity risk oversight, up from just 11% in 2016.



How to create a *high-quality* audit

CPA firms agree: To create a quality audit, the tone at the top and appropriate deployment of staff are the most important ingredients. A [survey by the AICPA Practice Monitoring of the Future Task Force](#) polled firms to determine critical factors to high-quality audits. The No. 1 indicator of quality, respondents said, was that the firm had assigned:

1. Ultimate responsibility and accountability for the system of quality management to the firms' managing partner/CEO.
2. Operational responsibility of the system of quality management to individuals who can serve in those roles.
3. Operational responsibility for specific aspects of the system of quality management to individuals who can serve in those roles.

Some of the top indicators of a high-quality audit related to personnel are:

- The engagement partner or other senior members of the engagement team review significant working papers in accordance with professional standards and firm policy.
- The engagement team performs risk assessment procedures to gain an understanding of the entity, including its internal controls.
- Senior members of the engagement team with a strong understanding of the client, including the engagement partner, determine the overall audit strategy.

Bringing it all into focus

Rolling income tax conformity again topped the VSCPA's legislative agenda this year.

We've said it for years, and we'll say it again: Rolling income tax conformity is better for Virginia's citizens, accounting professionals, and even the state government. That's the message VSCPA members, leaders and staff conveyed to lawmakers over the months leading up to and then during the 2023 Virginia General Assembly session.

If you've paid attention to our advocacy efforts for a few years, you know this message is nothing new. We are committed to relieving the administrative burden fixed-date tax conformity causes you and your clients. Rolling conformity would even bring revenues into state coffers *earlier*, because state tax returns could be filed correctly and without waiting for conformity to pass.

But, it's complicated. Tax conformity doesn't exactly get the masses excited, so lawmakers are not flooded with constituents urging them to support. We *do* have advantages: dedicated members with legislative connections, a strong and experienced legislative counsel, and an advocate in VSCPA member Del. Joe McNamara, CPA, who sponsored the legislation in the House.

Last fall, we released materials to help you, your staff, and legislators understand the most important parts of rolling conformity. Our whitepaper, "[Rolling tax conformity: A better option for Virginia](#)," contains the specifics of our position and the history of the issue in the state. A list of [talking points](#) explains the benefits of conformity in an easy-to-understand format, and a [PowerPoint template](#) contains important details for sharing with staff and other stakeholders. We also submitted a sponsored article to Virginia Business magazine, "[Why this confusing-sounding tax term deserves your attention](#)," to bring rolling tax conformity to the attention of the greater business community.

Where does it stand right now? In the Senate, [SB 1405](#) is currently in Senate Finance and Appropriations and we do not anticipate any issues

with approval. In the House, we had indications the path would be similarly smooth until meeting pushback late in the process from certain legislators. At press time, an amended version of [HB 2193](#) had passed the House Finance committee unanimously. The bill included rolling conformity for any extenders, as well as any "new" amendments under \$10 million.

Roadblocks in the House required our all-member push for you to get involved and quickly message your legislators. Thank you to everyone who took 30 seconds to quickly send emails in our [VoterVoice](#) system. *Your engagement in our advocacy efforts matters!*

Additionally, we had to educate legislators on passing two types of conformity bills. The rolling tax conformity legislation would apply to tax laws on or after Jan. 1, 2023. But we still needed retroactive, emergency legislation for fixed-date conformity to address *this* tax season.

Fixed-date conformity bills [SB 882](#) and [HB 1595](#) passed their respective chambers unanimously. At press time, they have crossed over and we anticipate no roadblocks to swift passage and approval by Gov. Glenn Youngkin. We'll communicate as soon as conformity is legislatively advanced from Dec. 31, 2021, to Dec. 31, 2022.

PTE TAXATION LEGISLATION

We were happy that last year the General Assembly passed a workaround bill so that qualifying pass-through entities (PTEs) could pay entity-level taxes. However, it wasn't long before confusion erupted as tax preparers awaited guidance from the Virginia Department of Taxation (TAX). We did [submit recommendations to TAX last July](#) on how the tax should work, as well as [comments on the draft guidelines](#) in December. One of the largest issues was the definition of "natural persons." The statutory language said that a "qualifying pass-through entity" means "an entity that is 100% owned by natural persons or, in the case of a Subchapter S corporation,



VSCPA 2022–2023 Board Chair George Forsythe, CPA, is passionate about rolling tax conformity—and wants you to be too! Watch him break it down in this one-minute video.

100% owned by natural persons or other persons eligible to be shareholders in an S corporation.” We asked TAX to define who a qualifying natural person is for the purposes of the PTE election, as many PTEs are owned by Virginia residents via grantor trust, single member LLCs, or other partnerships.

HB 1456 and **SB 1476** make changes to the elective entity-level tax on PTEs. The bill would impose the tax only on the share of income, gain, loss or deduction attributable to eligible owners, as opposed to imposing the tax on the entire entity. “Eligible owner” is defined in the bill as an owner of PTE that is a natural person or an estate or trust. The bill also strikes the requirement that to qualify for the tax, a PTE must be 100% owned by natural persons or persons eligible to be shareholders in an S corporation. [See our one-pager](#) for more information.

The House bill passed unanimously on Jan. 31; Senate Finance and Appropriations passed it unanimously the same day. At press time, we are waiting for the bills to move through the process. The bill has minimal fiscal impact on the Commonwealth so we do not anticipate roadblocks.

OTHER BILLS

While we spent the most time this Session on conformity and the PTE technical fix, we watched the landscape for any bills that affect you and your clients and kept an ongoing list in our [Bill Tracker](#). We did support **HB 1369** to allow the tax commissioner to offer installment agreements with individual taxpayers for payment terms of up to five years.

We took no positions on these bills, but they do have tax implications. At press time, none of the bills had been subjected to final votes:

- **HB 1368**: Establishes an Advisory Tax Administration Commission to make recommendations to TAX on rules, regulations and guidelines.
- **HB 1405 / SB 796**: Addresses tax liability for a group of affiliated corporations changing filing status.
- **HB 1653**: Allows eligible low-income taxpayers to claim a refundable income tax credit equal to 20% of the federal EITC claimed that year by the taxpayer.
- **HB 2138 / SB 1355**: Increases from 30 to 50% the Virginia individual and corporate income tax deduction for business interest disallowed as a deduction under Section 163(j) of the Internal Revenue Code beginning in taxable year 2024. The bill allows an individual income tax deduction in an amount equal to 50% of certain federal qualified business income deductions, excluding qualified real estate investment trust dividends. The bill also reduces the corporate income tax rate beginning in taxable year 2023 from 6 to 5%.
- **HB 2319 / SB 1451**: Reduces top income tax rate from 5.75 to 5.5% and raises standard deduction to \$9,000 for single filers and \$18,000 for married filing jointly. ■

Federal tax updates you need to know

Be aware of tax changes related to the Inflation Reduction Act. Many of your clients may be affected by the Clean Vehicle Credit.



By Art Auerbach,
CPA, CGMA

The Inflation Reduction Act of 2022 includes several tax-related provisions CPAs should be aware of coming into tax season. Other issues of note are related to the Employee Retention Credit and the IRS penalty policy.

PENALTY RELIEF

At the recent American Institute of CPAs (AICPA) National Tax Conference, the IRS revealed that first-time penalty relief is applied automatically in most situations. However, this is a disadvantageous policy for taxpayers, as the first-time relief is only available once every three years. This happens even though the taxpayer may have a reasonable-cause excuse and would be entitled to relief. Experts recommend taxpayer send reasonable-cause appeals to the IRS. Thus, if within three years there is another attempt at penalty, relief may be available.

Most practitioners and the AICPA recommend, again, the IRS stop issuing penalty notices until they clear the backlog of unprocessed returns and correspondence. In September 2022, [the AICPA requested the IRS expand, modify and clarify the scope of tax relief](#). The AICPA also has [penalty abatement templates](#) available for download for members.

EMPLOYEE RETENTION CREDIT

Many of you and/or your clients may have been approached by third parties to sign up for additional Employee Retention Credits (ERC); companies may claim the practitioner missed this tax advantage. This is a new cottage industry seeking to take advantage of employers' ignorance about the credit.

Last fall, [the IRS warned employers to be wary of third-party ERC scams](#), and the AICPA has an excellent document downloadable for Tax Section members, "[ERTC Fact or Fiction](#)," which breaks down the true and false claims. I suggest you obtain a copy of that document.

INFLATION REDUCTION ACT OF 2022

President Biden signed the [Inflation Reduction Act of 2022](#) (IRA) into law on Aug. 16, 2022, and this date is important particularly regarding the application of the clean vehicle credit.

Some of the key provisions involve the new Corporate Minimum Tax, the excise tax on certain stock redemptions, several energy credits, and additional funding for the IRS to improve service.

Corporate Minimum Tax

Is it estimated that this provision will only apply to 125 or 150 of the largest corporations. This is a 15% tax imposed on modified book income, assuming the corporation has adjusted book income of \$1 billion for three consecutive years. S corporations, regulated investment companies, and REITS are exempt.

The Corporate Minimum Tax will be applied to years beginning after Dec. 31, 2022, and additional guidance is necessary before those involved begin the calculation.

Most practitioners will not be affected directly, but this could affect the investment philosophy of individuals as the corporations involved must pay the tax — potentially affecting the investment quality of those involved.

Additionally, some tax practices may be affected because of Financial Accounting Standards Board (FASB) pronouncements and proposed revisions to the AICPA Statements on Standards in Tax Services (SSTS).

Excise tax on stock repurchases

This is a 1% excise tax on stock repurchases by publicly traded corporations — not an income tax. It also applies to stock purchased by subsidiaries that are more than 50% owned by the parent. The tax does not apply if repurchases are less than \$1 million or if contributed to an employee pension plan, employee stock ownership plan, or similar-type plan. This excise tax will apply for tax years beginning after 2022.

Some practitioners may have individual clients who are employees of these large corporations.

IRS additional funding

There are many facets to the funds allocated to the IRS in the IRA. First, the IRS is not going to add 86,500 employees. However, there are about 45,000 to 50,000 IRS employees due to retire or leave within the next couple of years, so this funding anticipates that happening.

How these funds will be spent is still dependent on the IRS developing a plan; Treasury Secretary Janet Yellen has given the IRS until February 2023 to develop such a plan.

Additionally, the IRS will have a new commissioner by that time. Needless to say, there is much that we in the practitioner community would like to have included in the plan, including a dedicated practitioner line or other means for us to communicate with the IRS. Stay tuned!

LEARN MORE FROM ART

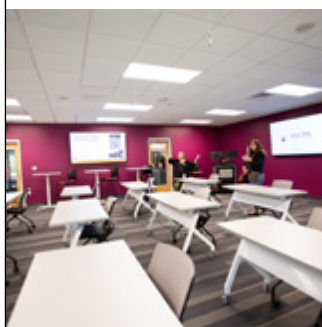
- **VSCPA Tax Series Webinar:** Feb. 16, 2023
- **Employee or Contractor? Classification Matters**
- **Member Spotlight: How Art Auerbach Got His Tax Knowledge**

Energy credit provisions

The following is a list of the significant credits for you to examine on your own depending on your practice.

- Clean electricity and reducing carbon emissions
- Clean fuels ►

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- Clean energy and efficiency incentives for individuals
- Clean vehicles
- Investment in clean energy manufacturing and energy security
- Superfund
- Incentives in clean electricity and clean transportation, and credit monetization

Again, most practitioners will not be involved with all these but should be most affected by the Clean Vehicle Credit.

Watch this one, as it has three periods involved:

- Jan. 1, 2022, to Aug. 16, 2022 (the date of enactment)
- Aug. 16, 2022, to Dec. 31, 2022
- After Jan. 1, 2023, until Dec. 31, 2032

The credit may not be claimed for vehicles whose manufacturer's suggested retail price exceeds \$80,000 for vans, pick-up trucks, or SUVs, and \$55,000 for all other vehicles.

Taxpayers are ineligible for the credit if their modified adjusted gross income (AGI plus foreign income amounts excluded under Sec. 911, 931 or 933) for both the current and prior tax year exceeds \$300,000 for married, filing jointly; \$225,000 for head of household; or \$150,000 for all other taxpayers.

This is a cliff test — if a taxpayer is \$1 over the amounts listed, they are ineligible for the credit; and for vehicles placed in service after 2024, taxpayers will be able to transfer the credit directly to dealers that register with the Secretary of the Treasury and agree to various disclosure requirements (the credit can be applied to directly lower the taxpayer's cash outlay for the car rather than having to wait to receive the benefit of the credit when the taxpayer files their tax return).

Beginning with vehicles acquired after 2023, purchasers may transfer the credit to the dealer (similar to the transfer allowed for the Clean Vehicle Credit).

Taxpayers who entered into a binding written purchase agreement prior to Aug. 16, 2022, may elect to not have the IRA changes apply to their purchase even if the vehicle is placed in service after Aug. 16, 2022.

A taxpayer can qualify for the credit for qualified purchases once every three years.

Regarding the credit for previously owned clean vehicles, a new 30% credit, up to a \$4,000 maximum, is available for qualified used clean vehicles purchased after 2022 and before 2033 from dealers registered with the Secretary of Treasury.

To qualify for the credit, the vehicle's sales price may not exceed \$25,000, the vehicle must be at least two years old, and the vehicle must meet the requirements for the:

- Clean Vehicle Credit discussed above (other than the requirement that the vehicle's final assembly be completed in the United States).
- The Alternative Motor Vehicle Credit motor vehicle requirements under Sec. 30B(b)(3) (other than being new) and weigh less than 14,000 pounds.

To claim the credit for previously owned clean vehicles, the taxpayer's modified AGI for the current and preceding taxable year cannot exceed \$150,000 for married, filing jointly; \$112,500 for head of household; and \$75,000 for all other taxpayers.

Residential Clean Energy Credit

The Residential Energy Efficient Property Credit under Sec. 25D is renamed the "Residential Clean Energy Credit" and is also extended to apply to property placed in service prior to Jan. 1, 2035.

The old Residential Energy Efficient Property Credit was often referred to as the Solar Energy Credit, although it also applies to qualified fuel cell property, qualified small wind energy property, geothermal heat pump property, and biomass stove and water heater property.

Battery storage technology is also added to the list of qualified expenditures eligible for the renamed credit, applicable to expenditures made after Dec. 31, 2022.

The full 30% credit is now available for eligible expenditures through the end of 2032, and the credit is phased down to 26% in 2033 and then 22% in 2034.

Please watch VSCPA communications for more information as details are revealed by the IRS. ■

Arthur Auerbach, CPA, CGMA, is an independent tax consultant located in Atlanta, Ga., specializing in tax consulting and estate and financial planning for individuals and closely held businesses. He is affiliated with the Asbury Law Firm as a consultant. Art is a member of the VSCPA Tax Advisory Committee and a former member of the AICPA's Tax Executive Committee. He is currently chair of the Georgia Society Federal/State Task Force and a member of AICPA's Tax Practice and Procedure Committee.

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Can you double your income?

Not only is it possible, more CPAs than ever are implementing financial planning and making more money.



By Ken Huffman,
CPA

The accounting profession is a great one to be in. Surveys have shown that clients trust their CPA even more than their financial advisor. Surveys have also shown that clients would rather obtain financial products from their CPA than a financial planner because CPAs are trusted advisors. But ... who has time to do all of that? It's hard enough for many CPAs to keep up with their existing business, much less dip their toe into a whole new service line.

THE OPTIONS

Fortunately, there are several ways to get the benefits of offering financial planning services without wearing oneself out. Here are some options:

- Get licensed to offer financial planning products (securities and/or life insurance).
- Outsource all the financial planning.
- Implement a hybrid model where a financial planner works with the firm but is not directly employed by the firm.
- Work with CPA firm specialists that will help implement financial planning strategies into the firm. This is a turnkey approach where the financial planning personnel can be provided, or the CPAs can be trained to do it themselves.

Each of these options can result in additional income for the firm.

Some CPAs hesitate to offer financial planning because they don't want to "sell products." However, when it comes to financial planning services, CPAs do not have to "sell" anything to successfully implement financial services into their firm. CPAs will simply lay out options for their clients, similar to suggesting tax strategies. The client then decides what they would like to do. The CPA can decide the types of financial planning services he or she feels comfortable offering.

IS IT WORTH IT?

Is the extra money the firm will receive worth the effort? Absolutely! I talk with fellow CPAs all the time

LEARN MORE

- Online self-study: [Adding Personal Financial Planning Services to Your CPA Practice](#)

who have implemented financial services into their practices, and the firms are very profitable. Having a second stream of revenue helps keep the bottom line healthy and the firm's market value high. Additionally, it allows the firm to create a stream of residual income. Residual income is something most CPA firms rarely get to participate in unless they add financial services into their practices.

LICENSING REQUIREMENTS

Does a CPA have to get additional licenses to offer financial planning services? Usually, but not necessarily. It depends on how the firm structures the financial services business. However, if a CPA does have to get licensed, it's not something that should be feared. If you passed the CPA Exam, you can pass any financial planning license exam. I've obtained my Series 7, Series 66 and life insurance licenses, and none have come close to the difficulty of the CPA Exam.

Now is a great time to look into the options. CPAs who implement financial planning services are more profitable and increase their firm's market value. ■

Ken Huffman, CPA, is the president of CPA to CPA, Inc., and founder of Captive Nation.

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Combat the capacity crisis with outsourcing

To help address talent and workload challenges, you need all the help you can get. The new VSCPA toolkit, “Combat the Capacity Crisis: Recruitment and Retention Guidance,” will be available in February. It will contain information, links, resources, and so much more to help your organization thrive. Below is a preview of the outsourcing section of the toolkit. Stay tuned!



As the world of work rapidly changes, many organizations are discovering it's easier and cheaper to outsource certain functions rather than hire full-time, in-house employees. Outsourcing can be a tremendous value — it doesn't overburden and burn out employees during peak times, allows organizations to access specialty skills to support overall growth, and gives countless accounting and finance professionals an opportunity to contribute in a way that fits their lifestyles.

“Though hiring remains strong, the increased use of consulting and interim solutions will continue,” writes VSCPA member **Brandon Pope, CPA**. “The pandemic created more choices for professionals, and

now more than ever, those professionals are choosing the idea of flexibility and balance.”

Here are a few types of outsourced talent.

CONSULTANTS, CONTRACTORS AND FREELANCERS

In the past few years, more accounting professionals are becoming interested in offering their services as self-employed independent contractors in the United States. These are experienced professionals, and they can provide complex advisory, audit and tax services as they often worked for accounting firms earlier in their careers. Hiring independent contractors could be

a solution for firms who can't find the full-time talent they need to fulfill all client needs.

Freelance management companies can help connect businesses with consultants; professional recruiting firms often offer these services. You will pay an hourly rate to the company, which then pays the employee and takes a percentage as their fee. Smaller firms that cannot afford to use a company could search for consultants through networking and online searches and reach out to candidates directly.

Keep in mind that you'll pay a higher hourly rate for a contractor than to those who receive standard company benefits because they must pay self-employment and income tax. And remember, if you hire a contractor, you need to **classify them correctly**.

FRACTIONAL CFOs

It's not uncommon, especially for those companies in the embryonic stage, to hire part-time CFOs, CIOs and controllers because they can't afford to pay a full-time employee. These fractional workers will perform duties for a set period and then move on to other contracts. In many cases, these contractors are experts in their fields but now perform short-term work to maintain work-life balance. Companies looking to raise funds or go public can benefit from the professionalism a CFO — particularly one who has obtained the CPA credential — provides.

SERVICES

Small- and mid-sized CPA firms may discover that outsourcing certain business functions to other companies is much easier than employing full-time employees. Bookkeeping, payroll and marketing are just a few possible areas. Professional employer organizations (PEO) can provide HR infrastructure. Whether your organization needs hourly help or a more long-term commitment, network with your peers and use online resources to find referrals.

PROS AND CONS

As with anything, enter contracts with eyes wide open. While outsourcing enables your company to free up full-time staff to do the most impactful work, prepare for hurdles ahead. **Forbes offers a pros and cons list**, which includes the benefits of lower labor costs, but you could run into a lack of control or quality problems. Setting clear expectations at your organization from the outset will help, and ensure you have all the resources you need (such as appropriate data security protocols) before you embark. ■

READ THESE

What CPA firms need to know about outsourcing (CPA Practice Advisor)

The pros and cons of outsourcing (Forbes)

Today's talent decisions affect tomorrow's success (Disclosures)

Help really, really wanted (Disclosures)

Innovative ways to create capacity (Disclosures)

What services CPA firms usually outsource and why (Meru Accounting)

Classify new hires right (Disclosures)

Employee or contractor? Classification matters (Disclosures)

What is a fractional CFO? Everything you need to know (Spendesk)

Part-time CFO, big-time experience (Disclosures)



Create capacity with tax document automation

Find the right tax prep workflow software to help improve your bottom line.



By Randy Johnston

There are many considerations for tax professionals this year with IRS 5293 compliance, the tax implications of The Build Back Better Act, improvements in tax document automation prepared by client (PBC) tools, and portals.

Since 40–80% of CPA firm revenue is generated from tax, improving tax workflow has immediate benefits to the clients, team members, and the firm's bottom line. Consider a few of the following ideas and tools.

SO, WHAT IS THE RIGHT TAX DOCUMENT AUTOMATION?

Many pundits and advisors to the profession suggest the same strategies to all their clients and are very consistent in their messaging and presentations. While I want you to be consistent in your firm, I'm far from a one-size-fits-all recommender. This column aims to give you two, three or more ideas that you can apply to your practice. Plus, I recognize that not every idea fits you or, for that matter, is a "good one." Therefore, I have tried to eliminate ideas and products that I consider blatantly bad.

When it comes to tax document automation, there is some low-hanging fruit that most firms have reviewed, considered and adopted, while later abandoning the adoption because the technology didn't provide the benefit expected. This benefit could be reduced costs, less time invested, ease of use, providing a service not available with other tools, and more. It is hard to believe that automated 1040 workpaper products for **tax compliance source documents** are more than 15 years old!

What are your firm's tax compliance document issues, and how can you address them? Consider these issues with software solutions:

- **Personal tax source documents (and entry):** 1040 workpaper products

- **Business tax source documents (and entry):** Audit tools and trial balance tools
- **Internal inefficiency:** workflow software, scheduling software, Six Sigma process optimization
- **Gathering client documents of all types:** prepared by client (PBC) software, which has grown to almost 20 options in four years!
- **Portals to deliver final work products:** standalone, integrated with practice management, or integrated with document management
- **E-signature products:** to gather client signatures where permissible, such as completing 8879s
- **Review tools:** to optimize valuable reviewer, senior and partner time

Note that I'm not trying to name products in the prior list but rather categories of inefficiencies in your tax practice. The most heart-breaking report this season was from a firm that was all paper-based, had no remote access, and was locked out of their firm for 60 days. The work piled up, and the tax professionals had a once-in-a-lifetime holiday during tax season. Unfortunately, they didn't get to vacation anywhere.

Another firm had to send clerical staff in to scan client documentation, and this team feared contracting COVID-19 from their commute or each other while in the office. (By the way, that did happen in more than one firm.)

You see, there are other issues to consider to make your tax department work effectively. And while most firms do pull together to complete tax seasons year after year, perhaps partners could make the situation more livable for everyone involved.

Consider these benefits to automating tax prep workflow:

- The ability to work remotely as if you are in the office.
- Computer hardware that is fast and reliable.
- Scanning paper documents in the office and at home if needed.
- Multiple monitors of the right size for efficiency.
- Having the right level of staff handling the right returns or work.
- Scheduling time so team members can comfortably participate in family events.
- Providing really good and healthy meals (not pizza!) regularly.
- And many more.

Ask yourself: What are the key problems my team faces and what can be done to address the issues?

WHAT TOOLS ARE MOST EFFECTIVE, PROVIDE THE HIGHEST ROI, OR ARE EASY TO MISS?

For example, we discuss document management and portals more on our K2 website at <https://www.cpafirmtech.com/software-solutions/document-mgmt-solutions/>. Other tax tools to consider include:

- **Business trial balance software** with **OnPoint PCR**, **CCH Axxess Financial Prep**, or **Tallyfor**.
- **1040 workpapers** with **CCH Scan with Autoflow**, **Doc-It**, **GruntWorx Populate**, **SurePrep 1040Scan**, or **Thomson Reuters Source Document Processing**.
- **Workflow** with **XCM**, **CCH Axxess Workstream**, or **FirmFlow**.
- **Scheduling** with **ProStaff**, **WSG Empire Resource**, or **XCM**, now **CCH Axxess Workflow**.
- **PBC document gathering** with **Liscio**, **Suralink**, **TaxCaddy**, **CCH Axxess Client Collaboration**, **Citrix ShareFile**, **Doc-It Connect** (or their whole **Suite**), or **Thomson Reuters Onvio**.



You can choose all the software solutions you'd like, but if you aren't stepping up to identify and manage operational problems in your tax department, which could include uncontrollable partners, all the technology in the world won't make you more efficient.

DECIDE THE RIGHT THING FOR YOU, YOUR FIRM, AND YOUR CLIENTS!

What experience do you want your team members to have? What experience do you want your clients to have? Tax compliance is still commonly 40–80% of firm revenue. What are you doing to protect and improve your tax department?

While we discuss many technologies and service alternatives for CPA firms in our K2 technology conference, we recognize just how critical tax remains as a service and a revenue stream today. What have you done to improve your tax operations lately? ■

*Randy Johnston is a partner in **K2 Enterprises, LLC**, and a frequent speaker and consultant to the VSCPA. He presented "Options To Automate Your Tax Preparation Workflow" as part of the 2022 Multi-State Accounting Technology Conference.*

THE ABCs OF NFTs

NFTs are a relatively new digital asset that's been making waves over the last few years. Here's where they stand now.



By Peter Kwon,
CPA

Congratulations, your digital collectible sold!

Many people would never dream of investing their hard-earned money into a digital collectible, more commonly known as a non-fungible token (NFT). But surprisingly, NFTs have experienced an unprecedented surge in popularity over the past two years.

Digital artwork such as pictures of apes, cats, and scribbles resembling kindergarten-level art have been endorsed by popular celebrities such as Justin Bieber, Jimmy Fallon, and Paris Hilton, resulting in an explosive growth in demand. Early adopters experienced unparalleled returns that were primarily

driven by waves of speculative investors who followed suit. With these realized gains and losses, difficulties in accounting ensued.

WHAT IS AN NFT ANYWAY?

An NFT is a digital asset that represents a real-world object like art, music, an in-game item, or video. They can be purchased and listed for sale online, frequently with cryptocurrency, and records of these transactions can be traced back to the blockchain.

NFTs can be bought and sold on marketplaces such as OpenSea and Rarible, but a user must first

create a digital wallet to partake in this endeavor. Cryptocurrency exchanges like Binance and Coinbase can be used to purchase crypto and then to transfer those funds into a digital wallet, which can then be used to buy and store digital assets.

HOW ARE NFTS TAXED?

Based on the current existing guidance on NFTs (or lack thereof), under Section 408(m) of the Internal Revenue Code, NFTs are most likely taxed as collectibles. As a result, NFTs are treated similarly to physical trading cards and works of art. This method of tax treatment potentially creates an important distinction in terms of what types of tax rates a CPA may encounter regarding NFT taxation.

When collectible items are sold, they are either 1.) if held for less than a year, taxed at the ordinary income tax rate; or 2.) if held for more than a year, taxed at

the lower of the ordinary rate or 28% if the ordinary rate is higher. There are rare instances when the rate can be higher.

If an NFT is treated as a collectible, it will funnel through Schedule D on Form 1040 — similar to stock transactions. For most, this will end up being the likely scenario if the individual only engages in minimal NFT transactions or if they intend to hold long term.

In a scenario in which there are minimal NFT transactions, gains and losses of similar capital items (i.e., stocks or cryptocurrency) can be aggregated. In other words, if a client has big NFT gains but also losses from the stock market, there may be an option to net the two.

There are specific rules known as “netting rules” regarding the process of combining capital gains and losses, and it can get tricky. Thus, it is advisable ►

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that all individuals, at a minimum, use tax software or more preferably a tax professional to help guide them through the preparation of their individual tax return.

Another point: NET capital losses are capped at a maximum deduction of \$3,000 per year even if the losses exceed that amount. However, an individual can carry forward the excess loss amounts to future tax years and offset future capital gain income.

Alternatively, some investors may have participated in significant trading activity with their NFTs and may find themselves at a loss on how to move forward. If the intent is to make a profit and there is sufficient and regular activity, arguably, there may be justification that their buying and selling of NFTs is a trade or business comparative to being treated as collectibles. In such an instance, the investor could then report their activity on the Schedule C and take business expenses against their income.

This action would then reclassify NFTs as inventory and allow the individual to take other business expenses. However, they would still need to consult a tax professional to determine if Schedule C treatment is the right decision for them as this may not always be the case due to self-employment tax.

While the IRS will eventually issue tax guidance on this topic, in the meantime, it is important to consult a tax professional.

FINAL THOUGHTS

NFTs and cryptocurrency-related investing is extremely risky and volatile. Most of the wealth in the space is held by a small minority — usually the early adopters. As a direct result, the majority of investors following suit, especially those who make their decision to invest based on their fear of missing out, are left with significant combined losses. In addition, there is inherent risk in the world of cryptocurrency investments as there is currently little regulation in the space.

Recently, we have seen the overnight collapse of some of the leading cryptocurrency exchanges in the world due to the mismanagement of customer funds by the aforementioned exchanges. While it appears that crypto and blockchain technology are here to stay, the harsh reality is that the vast majority of NFT

CONTINUE LEARNING

- **Understanding Digital Assets:** Webcasts available on Feb. 3 and March 1
- **Auditing Digital Assets:** Webcast on March 13
- **Get to Know the NFT Marketplace**
- **Crypto: Thinking Future Risk and Defensive Documentation**

projects will most likely fall to zero in value in the long term because every project cannot succeed. ■

Peter Kwon, CPA, is cofounder of RMPK Accounting, LLC, an accounting firm headquartered in the greater Washington, D.C. area. RMPK Accounting, LLC, specializes in serving high-net-worth individuals and small business owners with bookkeeping, tax planning, and tax consulting with a primary focus on cryptocurrency and NFT-related clients. Peter sits on the VSCPA Young Professionals Advisory Council. He holds Bitcoin and Ethereum, and enjoys buying and selling NFTs on OpenSea, an NFT marketplace. The opinions expressed here are his own, are not those of his firm or clients, and should not be interpreted as financial advice.

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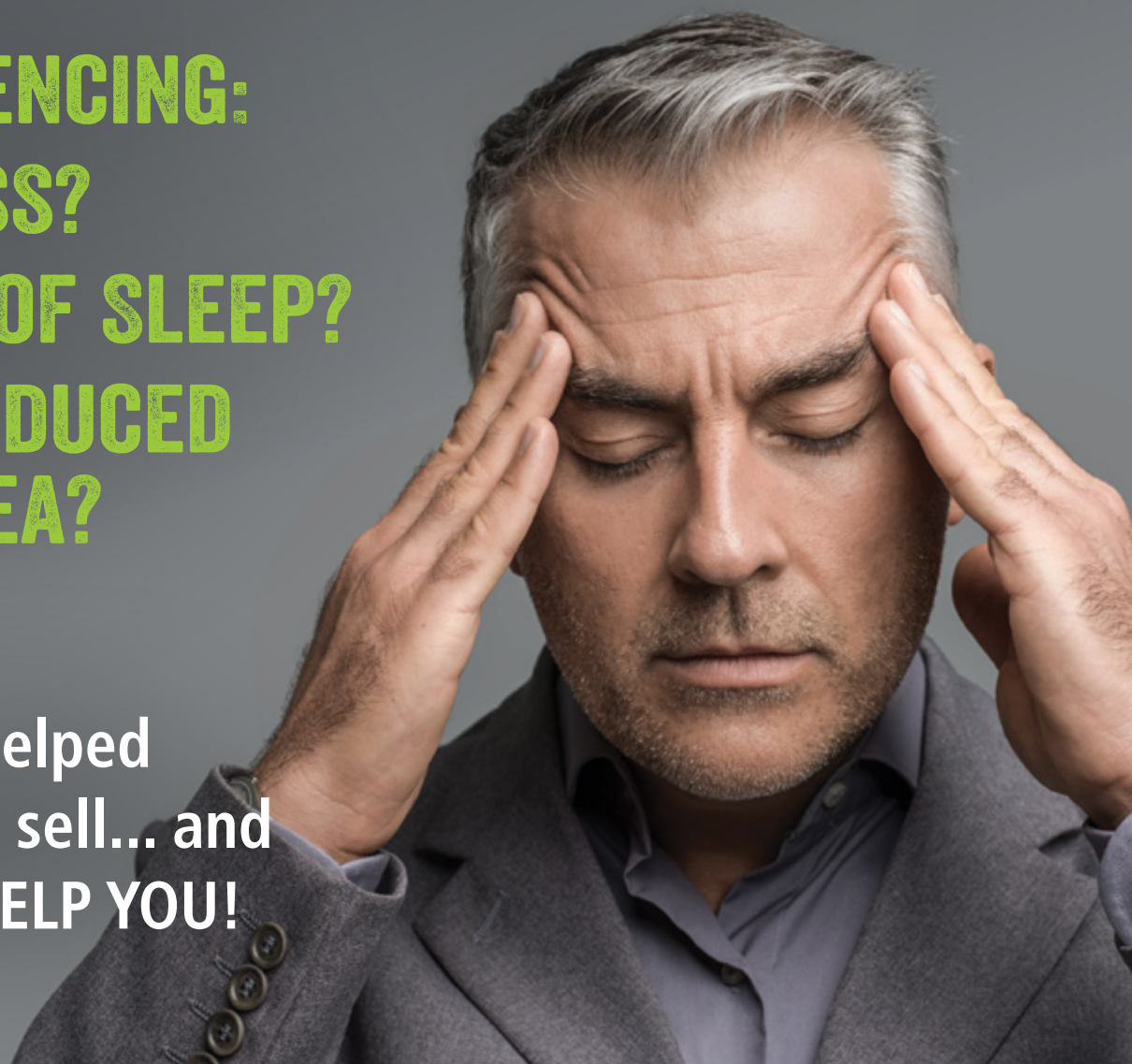
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5 REASONS YOU NEED TO LET *difficult* CLIENTS GO

Don't persevere with problematic clients. For the sake of your business and well-being, make a few perspective changes so you can move on.





By David Peters,
CPA, CFP, CLU,
CPCU

I am a big believer in the 80/20 rule — 20% of your clients usually cause 80% of your problems. While most of your clients are probably great, there are always those few. The ones you never feel fast enough for. The ones you always feel like you are chasing your tail to please. The source of your stress and the meeting on your agenda you always dread. It doesn't matter which industry you are in — you know who I mean. We all have them!

Why do we even have these clients in the first place? How did we get here? Were there warning signs we missed? Most importantly, how can we fix it?

Below are a few reasons we find ourselves in situations with problematic clients.

1. ACCOUNTING IS AN ANALYTICAL PROFESSION.

It is true that accountants have different personalities and that there are a wide array of specialties within the profession. However, at its heart, accounting involves analysis. We value hard data, objective decision making, and numbers. From the time we take our first accounting class in school, we are taught how to read and dissect data. If revenue outweighs expenses, we should move forward with that deal, partnership or client. Numbers win.

There is nothing inherently wrong with this. The natural objectivity that accountants tend to bring to any job provides value to employers, clients and society. However, sometimes this analytical mentality causes us to value dollars over common sense. Our analysis tells us to take on a client because they will bring more to the bottom line of our income statement, but we forget to incorporate the additional time they cost us. We don't account for the additional stress and pressure they bring. Those things are difficult to quantify, so we leave them out of our spreadsheets, project management tools, and present value calculations. In short, we forget to value our own well-being in the analysis. We don't incorporate ourselves in the equation.

2. ACCOUNTING IS A SERVICE-ORIENTED PROFESSION.

Whenever I ask my colleagues at conferences or events why they got into accounting, they don't

usually cite a love of tax code or GAAP regulations. (There may be some of you out there. I am just saying that's not usually the answer I get!) Most people love using their analytical skills to help solve problems for other people. They are problem solvers that take great pride in conquering the most difficult issues the business world can throw at them.

Again, this is not a bad thing. Executives, clients and business partners give us their most difficult problems because they know we can handle them. We have a reputation for coming through. However, this can work against us. We look at problem clients as the newest hill to climb or problem to conquer. We become convinced that even though the last four firms fired them for being difficult, we will be different. So, we keep trying to work with them, thinking that eventually it will get better.

In behavioral finance, there is a term called loss aversion. People hate declaring losses in their portfolio, so they hang on to loser investments (those that continually lose value with no realistic possibility to turn around) too long. They keep thinking that even though an investment is tanking now, it will eventually recover. All they need to do is hang on. Meanwhile, the investment continues to return deeper and deeper losses. Whether it is naivety or stubbornness, they make a bad decision because they don't want to declare something a lost cause.

Problem clients are often the same way. We lose more and more time and money. The situation doesn't get better, but we fool ourselves into thinking it will. We keep trying to solve the problem — instead of realizing it can't be solved.

3. ACCOUNTING IS A BILLABLE HOURS-BASED PROFESSION.

I have never met an accountant who is not a hard worker. We often take a certain pride in the number of hours we put in, the tax returns we do, or the cases we close. Sometimes our pay incentivizes us to be this way, but other times it doesn't. More often, we just like the idea of getting the work done and crossing things off the list. If a job takes a few more hours of our time to get done, we roll up our sleeves and do it. We get satisfaction from completing the task.

I know I sound like a broken record here — but that's not a bad thing. It makes us reliable and valued. ►

People know we always come through, no matter what. So, when a problem client asks us for just one more thing, we do it. We don't tell them no. We simply push through. One more thing to cross off the list. The engagement's scope creeps — and we let it.

Don't get me wrong. I'm not saying all problem clients are our fault. Anyone can find themselves in a bad client relationship and some problems are not readily apparent right away. My only goal in pointing out our common personality traits is to reveal we are often more in control of the situation than we may think. If we want fewer problem clients in our lives, we need to change how we think about our clients, ourselves, and the services we do.

Several years ago, I found myself feeling very burned out on the client side of my business. I was feeling taken advantage of, undervalued, and just plain tired. I needed to change my business or get out of it. I was at my breaking point, so I decided to change how I viewed my client relationships. I didn't change my due diligence process too much. I only changed how I viewed my working life. Below are three perspective changes I made.

4. YOU ARE NOT EVERYONE'S SOLUTION, SO DON'T TRY TO BE.

Client relationships truly *are* relationships. Over time, you get to know clients and they get to know you. Naturally, there are some clients with whom you resonate better with than others. This may be because you have common backgrounds, hobbies, or you are similarly wired. Whatever the reason, when you gravitate toward someone, you tend to do a better job for them. Meetings and tough conversations are easier because you understand each other. So, look for clients who you click with.

About a year ago, I was asked what qualities were most important when picking out a financial advisor. For me, it all comes down to one word — fit. Some clients resonate better with other professionals. We don't have to be everything to everyone. It is often better for the client and you if you realize this sooner rather than later.

5. KNOW WHERE YOUR LINES ARE.

Bad client relationships typically don't develop overnight or are due to one incident. Repeated

behavior often deteriorates a relationship. There are usually clues that a relationship is heading in a bad direction, so we need to pay attention.

Say a client has a habit of “creating fires” — they always want things right away and are constantly expecting you to drop everything. They do this one time. You stay four hours past the time you typically leave, but you meet the request. Next time, four hours becomes six hours. The third time, you pull an all-nighter. Pretty soon, they expect it — and you are left in increasingly impossible situations. You can charge them more money for last-minute requests. Does that really help though?

I'm not saying you should never go the extra mile for a client. I am merely trying to point out that people are habitual. If you have to chase a client around for payment once, chances are good you will need to do it again. If a client wants you to respond to every email right away, then they will likely expect this behavior in the future. Some of these behaviors you may be okay with. Others you may not.

If you are not okay with something, talk to the client and see if the behavior can be changed. If it can't, know where your lines are. If you can't live with it, fire the client and move on. That's probably better for both them and you. Know what is a dealbreaker and stick to it — no exceptions. For me, one of my dealbreakers is how my staff is treated. If a client consistently treats one of my staff members poorly, they will receive a disengagement letter. Having lines eliminates many problems before they get out of hand.

DON'T BE AFRAID TO GIVE UP REVENUE OR LET A CLIENT GO.

This one is easier said than done. It seems almost against our DNA to give up revenue. However, anytime I have made the decision to let a client go, I have never regretted it. I have never missed the revenue. In fact, normally if you give up a bad relationship, you free up time for more good ones. I have always made more money after letting a client go. I have been able to replace those relationships with clients who fit better with our model or who I just enjoy working with more.

Change is hard and we tend to prefer the familiar. Prospecting can be tough and there is always a tinge of doubt within us. We think what if this problem client's

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business takes off after I let them go? What happens if they are a great referral source and I just messed up my pipeline? What happens if this ends up hurting my business more than helping it? While it is natural to ask these questions, you can't let fear cause you to make bad choices. If you are good at your job, more clients will come. More business will come. Have some confidence in yourself and your product.

The decision to let a client go should not be taken lightly. However, once it becomes necessary, we cannot shy away from doing it. Problem clients generally remain problems. If they are a problem for you, chances are good they will be a problem for the next firm too.

There are a lot of writers and experts out there who talk about work-life balance, prospecting, and time strategies. I am not any of these things. I am a tax practitioner, financial advisor, and financial office who works with clients on a regular basis. These changes worked for me and rejuvenated me at a time when I needed it. If you are looking to have better client relationships, one thing is certain: doing what you always have will likely result in the same outcome. ■

David Peters, CPA, CFP®, CLU, CPCU, is the founder and owner of Peters Tax Preparation & Consulting PC, a financial advisor for Peters Financial LLC in Richmond, and a frequent VSCPA speaker and writer. He has more than 16 years of experience in financial services.

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INSPIRED *entrepreneurship*

Three CPAs show how a strong foundation in accounting translates to success in unique business ventures.





By Tori Smith

CHEMISTRY AND FINANCE: A FUNKASTIC COMBINATION



What do you get when one-half of a couple has a passion for making mead, and the other loves finance? A Midlothian-based business, **Funktastic Meads**.

The only elective Heather Carroll, CPA, enjoyed in school was Accounting 101. So she decided to get her master's degree in accounting from Virginia Commonwealth University. Her husband, Matthew Carroll, has a chemist background. We "offset each other nicely," Heather said.

Because of their contrasting backgrounds and mismatched skills, the pair was able to open the meadery in 2021. But the mead-making did not start in the Funktastic Meads facility.

Matthew first began crafting mead at home. Mead is an alcoholic beverage created by fermenting honey with water; sometimes various fruits, spices, grains, or hops are added. The defining characteristic of mead is that the majority of the beverage's fermentable sugar is derived from honey. It may be still, carbonated, or naturally sparkling; dry, semi-sweet, or sweet.

Eventually, the sales became too big for the Carrolls to handle within their home, so they partnered with a winery to sell their mead.

The six-month sales ended successfully at the winery as well. So, Heather and Matthew talked to a financial consultant to see if their mead-making could become an actual business. The pair found a space to share their love of mead, and the tasting room and production facility, Funktastic Meads, was officially created in Midlothian.

Heather and Matthew endured small struggles throughout the entire process of building the meadery. "There's a lot of surprises that come along with it," Heather said. "You think: You pick a space, let's move in tomorrow! But that's not how it works."

Heather's financial skills were crucial when developing the business. Before and throughout college, she worked at ITAC, a Chester-based engineering and construction firm. Heather said they gave her "things that a 19-year-old normally wouldn't do." They trusted her with their payroll, and she said it was a valuable experience.

Since 2017, Heather has served as controller at Evonik, a specialty chemicals company. She's been able to continue to her full-time job and also work at Funktastic. But she wouldn't have it any other way.

"I love accounting and it's not like I'm working 80 hours a week," she said. "It doesn't feel like work if it's your business."

Even though Heather likes the meadery because of the business aspect, she enjoys the community aspect, too.

"It's cool that we have regulars," Heather said. "We have [people] regularly coming through our door who's now a friend."

CHECK IT OUT

Funktastic Meads

1212 Alverser Plaza
Midlothian, VA 23113

 [@funktasticmeads](https://www.facebook.com/funktasticmeads)

 [@funktastic_meads](https://www.instagram.com/funktastic_meads)

THROWING LUXURY EVENTS WITH GRACE



Who says event planning and accounting aren't a match made in heaven?

A "multi-passionate entrepreneur," as she calls herself on her website, Nadia Anderson, CPA, is an accountant, event specialist, and nonprofit leader.

Nadia has always enjoyed math. She was originally majoring in engineering during her first semester at the University of Virginia, but she wasn't connecting with the field. She began to take a handful of different classes and discovered she enjoyed accounting.

"It's not really that much advanced math," she said. "Accounting is really a different language, it's business fundamentals. No matter what the business is, there is an accountant somewhere. That's what made it attractive."

Since 2003, Nadia has offered professional accounting services in addition to her full-time jobs, but the side gig took off in 2015. The **Anderson Accounting & Advising Group** offers financial coaching and full-service accounting.

Alongside her accounting services, Nadia began offering a catering business with a business partner for a "creative outlet" for them both.

"It was a way for us to keep our full-time jobs and have a creative outlet," Nadia said. "It started as a

birthday party for someone at our church, and then the word spread."

Catering then led to event planning, as she wanted to be able to participate more fully in the entirety of the event. **Virginia Grace** is a luxury wedding and special event planning company in Richmond.

After planning events from her home, she knew she wanted a separate space. The idea for an out-of-home office came in 2015, but she didn't have enough capital to purchase a building yet. So, she rented out an office space from another building.

But in June of 2021, Nadia was successfully able to purchase a building that is her office for her two businesses in Richmond. It is also advertised as a co-working space.

"There's more space than I need," said Nadia. "The idea was that other people could come here, as well as folks who are entrepreneurs, to rent a full office space, or join us with a membership and have a quiet place to work."

Since the building was built in 1934, Nadia has made a few renovations to the building. Although she is done with the construction aspect, she has been working on the cosmetic renovations as well. She said the brightness and warm colors from the light that comes in from the windows inspire her.

Aside from Nadia's two professional businesses, she created a nonprofit last year, **By Black Richmond**. The mission is to close the racial wealth gap by cultivating Black excellence.

"I have found that as a Black woman entrepreneur that finding a path to financial security and freedom opened up a lot of pathways for me," said Nadia. "We help Black people understand what can be accomplished through entrepreneurship and more."

CHECK IT OUT

Virginia Grace

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THE DIFFERENCE IS IN THE (DELICIOUS) DETAILS



Colette Wilson, CPA, has found the recipe for career success — and it started with a strong foundation in accounting.

At one of Colette's high schools (out of the four she attended), she was told by a teacher that she was good at accounting. And when her sister said business is a good career path, she heeded her advice. Colette majored in business with a concentration in accounting at the University of Mary Washington.

From there, Colette had an enviable career. She was hired right out of college at Cotton & Company in Alexandria, where she stayed for more than 19 years. She promoted to partner within six years and managed the human resources department. Colette also served the profession as VSCPA chair of the Board of Directors in 2014–2015.

But she had another calling beyond accounting and began to dabble in the kitchen.

After 2012 she left the corporate world. She was able to find a commercial kitchen to create her savory her

dishes in, and that's when the true process of forming a catering business began. She started **ColMoni's Catering** in 2015 and brought along a friend from her accounting firm.

"I realized that this is what I wanted to do," said Colette. "I was able to use all my business education to form books and prepare tax forms."

Even though Colette doesn't have a set schedule now, she still has her own personal coach to keep her on track, and a plan for her weekdays.

Colette also said that one of the biggest things she took from her accounting career that is extremely important in a catering business is attention to detail. How spicy a food is, specific salt intake, allergy requests ... the details are important.

"I spend a lot of time with my clients. Asking things like: What's your vision? Is this upscale? Do you want all my staff around? Am I bringing all the napkins and plates, or are you going to?" Colette said. "It means a lot to them if you don't hit the mark, and that's just someone who isn't going to give you a referral."

Other than her catering business, Colette currently serves on the PenFed Credit Union Audit Committee. Colette still wants to keep her "toes in the water" by maintaining her audit knowledge.

"I'm doing this one day and one thing another day," Colette said. "I love it." ■

CHECK IT OUT

Colmoni's Catering

8538 Terminal Road, Suite L
Lorton, VA 22079



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Tori Smith is the VSCPA communications intern. She is a student at Ball State University in Indiana.

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Congratulations to the following *members!*

NEW HIRES

Liz McKnight, CPA, has joined FORVIS as a managing director in Tysons.

PROMOTIONS

Andrew Early, CPA, has been promoted to manager and **Greg McChesney, CPA**, to director at Harris, Hardy & Johnstone, PC, in Richmond.

Fran Randall, CPA, partner at FORVIS in Richmond, has been promoted to market leader and will serve a two-year term.

APPOINTMENTS AND AWARDS

Stephen Armbruster, CPA, partner at Cherry Bekaert LLP in Virginia Beach, was named to Inside Business's Top Forty Under 40 List.

Dian Calderone, CPA, president & CEO of Calderone Abbott PC in Newport News, received the Excellence in Governance Award from the Virginia Hospital & Healthcare Association.

Tyrone Dickerson, CPA, a sole proprietor in Richmond, was selected for the Ruth Coles Harris Leadership Institute.

Matthew Faircloth, CPA, partner at Berg, Faircloth and Company in Leesburg, was named to the 2022 Loudoun 40 Under 40.

VSCPA Life member **Thomas Frantz, CPA**, president and COO of Williams Mullen, PC, in Virginia Beach, was named to the Virginia Business Living Legends List.

AICPA Director of Professional Ethics **Toni Lee-Andrews, CPA**, of Disputanta, was named a director of the Touchstone Bankshares, Inc.

Fran Randall, CPA, partner and market leader at FORVIS in Richmond, was named by Virginia Business magazine as a "go-getter" on its "100 People to Meet in 2023" list.

Stephanie Saunders, CPA, partner at Saunders & Saunders, PC, in Virginia Beach, was elected vice-chair to the National Association of State Boards of Accountancy (NASBA) 2022–2023 Board of Directors.

Congratulations to the following VSCPA movers and shakers named to the Virginia 500 2022 Power List by Virginia Business:

- **Devon Anders, CPA**, president, Interchange Group, Inc., Mount Crawford
- **Jeremy Blank, CPA**, partner, Deloitte, McLean
- **Timothy Gillis, CPA**, partner, KPMG, Washington, D.C.
- **Jason Hartman, CPA**, CEO, Brown, Edwards & Company, LLP, Roanoke
- **Harvey Johnson, CPA**, CEO, PBMares, LLP, Newport News
- **Russ Moore, CPA**, partner, PwC, Richmond
- **Scott Moulden, CPA**, partner, Yount, Hyde & Barbour, PC, Winchester
- **Kevin Virostek, CPA**, partner, Ernst & Young, Tysons
- **Gary Wallace, CPA**, partner, Keiter, Glen Allen
- **Greg Wallig, CISA, CGEIT**, principal, Grant Thornton

FIRM NEWS

Rockville, Md.-based **Aronson, LLC**, is merging with Atlanta-based Aprio LLP.

Clarkson David, CPA, PC, in Rockville, has merged with **Steve Walls and Associates**.

Glen Allen-based **PIASCIK** placed in the top 10 in their fifth consecutive year on the "Best of the Best" accounting firms in North America list from INSIDE Public Accounting.

Stallings and Associates in Smithfield was named best accounting firm in the 2022 Hammy Awards.

GOT NEWS TO SHARE?

Let us know! We're happy to print your staff news, including promotions, accolades and new hires. For space reasons, we do not print new degrees or designations. Send an email to disclosures@vscpa.com, and feel free to send headshots. All pictures must be high-quality JPG or TIF files of 300 dpi.

THE VSCPA MOURNS THE LOSS OF...

Maxwell Cisne, CPA, CVA, 85, a Life member from Richmond. A graduate of the University of Illinois and the University of Richmond, he served in the U.S. Navy. He retired as a partner from Cherry, Bekaert & Holland and served the community in a variety of roles, including the Richmond Jaycees, Richmond Kiwanis, and Goochland County School Board. He sat on a variety of committees at the VSCPA from the 1970s through the 1990s, including on the Board of Directors from 1992–1993.

Peter DiGiovanni, 65, of Midlothian. A graduate of Saint Bonaventure and Syracuse University, Peter was the COO of General Services Corporation. He had more than 30 years of experience in the real estate industry.

James Oliver, CPA, CGMA, 87, owner of Nielsen Associates LLC in Williamsburg. A graduate from the University of Colorado, James was commissioned as a naval aviator in 1957. He went on to work at multiple corporate firms before creating his own firm named after his wife. He held multiple positions in religious organizations and enjoyed volunteering.

Congrats to the VSCPA's newest Virginia CPA licensees

Gregory Barch, CPA, Virginia Beach

Chase Barrand, CPA, Vienna

Rachel Blitt, CPA, Fort Monroe

Danielle Booth, CPA, Christiansburg

Peter Bush, CPA, Bethesda, Md.

Andrew Chambers, CPA, Ashland

Shawn Folberg, CPA, Hudson, Fla.

Patrick Gallivan, CPA, Falls Church

Qing Guo, CPA, Tysons

Cassandra Hill, CPA, Richmond

Paul Kamke, CPA, Charlottesville

Katherine LaFuze, CPA, Amherst

Emily Mann, CPA, Richmond

Carl Margenau, CPA, Ashburn

James Riley, CPA, Richmond

Reena Shah, CPA, Matthews

Rachael Simmons, CPA, Arlington

Bradley Smith, CPA, McLean

Mason Steele, CPA, Charles Town, W.Va.

Steven Sullivan, CPA, McLean

Jonathan Watson, CPA, Leesburg

List from Aug. 1, 2022, through Oct. 31, 2022.

Staff news

ANNIVERSARIES

Jan. 10: **Jen Syer**, technology director, 23 years

Feb. 1: **Zeke Leeper** and **Chandra Painter**, learning coordinators, 2 years

Feb. 7: **Tina Bates, CAE**, vice president, innovation, 23 years

Feb. 17: **Amy Mawyer**, vice president, learning, 29 years

March 1: **Julie Chamberlain**, executive assistant, seven years

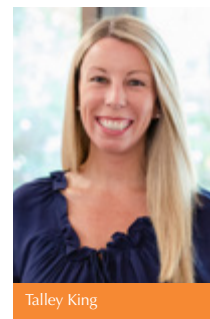
March 9: **Talley King**, learning marketing director, 12 years

March 12: **Richard Gordon**, learning & member services director, 11 years

March 14: **Cathy Meehan**, finance manager, 12 years, and **Kate Eacho**, event specialist, six years

CONGRATS

Talley King was promoted from VSCPA senior manager, marketing, to VSCPA learning marketing director.



Talley King

Two members *honored* as 2022 Women to Watch Award winners



Lindsay Dean, CPA, and Zoey Yang, CPA, each received the Women to Watch award at the 2022 Women's Leadership Forum on December 7 in Richmond. In partnership with the American Institute of CPAs, the VSCPA recognizes one winner each in two categories, Experienced Leader and Emerging Leader. The awards program recognizes outstanding women CPAs who are committed to making significant contributions to the CPA profession, their organizations, and to the greater advancement of women leaders in business.

EXPERIENCED LEADER: LINDSAY DEAN, CPA, AUDIT PARTNER AT GRF CPAS & ADVISORS IN BETHESDA, MD.

With nearly 20 years in the profession, Lindsay Dean, CPA, works extensively with nonprofit organizations as well as international clients, traveling through Africa and Europe performing a variety of audit work. She is a founding member of GRF's Women on the Move program to promote gender parity at all levels of the organization. Lindsay also serves on the VSCPA Innovation Advisory Council and Peer Review Committee.

"I am so honored to receive this award from the VSCPA," Lindsay said. "I have benefited from working with many amazing leaders over the course of my career, from the mentors within my firm

ADVICE FOR YOUNG WOMEN IN ACCOUNTING

From Lindsay: "As your knowledge base and experience expands, trust and have confidence in yourself and your unique set of strengths and skills. A lot of times we don't feel 100% ready for the task at hand, but we have the ability to be successful if we give ourselves the opportunity."

From Zoe: "Never be afraid to introduce yourself to initiate a conversation. Be confident and bold. You never know where that conversation may lead into the future."

who have encouraged me to continue to learn and grow, to the dedicated leaders at the nonprofits I work with. I am grateful to have the opportunity to carry on the torch and have a positive impact on the profession."

EMERGING LEADER: ZOE YANG, CPA, ACCOUNTING MANAGER AT THE INTERNATIONAL ASSOCIATION FOR DENTAL RESEARCH IN ALEXANDRIA

Zoe Yang, CPA, graduated with degrees in accounting and violin performance from Case Western Reserve University in 2018, where she currently serves as chair of their Young Accounting Alumni Board. Since then, Zoe has worked at multiple international accounting firms and now serves as accounting manager for an international nonprofit association. She received the Alexandria Chamber of Commerce 40 Under 40 Award this year and is a cofounder of the Paragon Philharmonia, a nonprofit orchestra serving the community.

"I will always treasure this award because it represents the culmination of the efforts and investment into me and my professional development from all my mentors over the years," Zoe said. "I honor them and can't thank them enough for their belief in me." ■