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# CPA Practice Advisor

Today's Technology for Tomorrow's Firm



**FROM THE TRENCHES**  
Accounting Software  
is Making Progress

**THE STAFFING & HR ADVISER**  
How to Find the  
Right Job Candidates

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Are You Focused  
on the Right Things

**PRODUCT REVIEW**  
Nonprofit Accounting  
Systems

**COVER STORY**

# NON PROFIT ACCOUNTING

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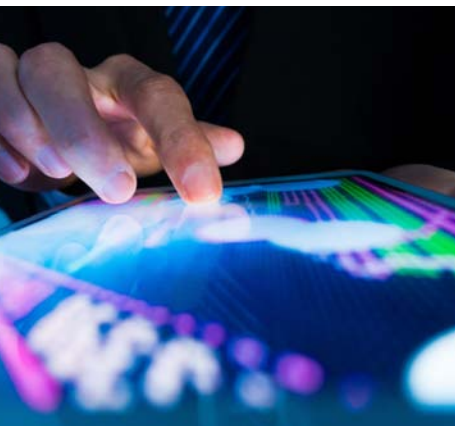


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# What Have You Done For Your Clients Lately?

I HAD THE honor of spending a day recently with members of the Rootworks community, a group of accounting firms from all over the country who met to discuss ways in which they can be better. Defining “better” is a singular task, as each firm, person, client, assigns that term a different meaning. But my primary takeaway, as the group discussed what they can do to be more 21st century, more modern, even using the hashtag #themodernfirm, is that accountants who are likely to succeed will do so by improving the accountant/client experience.

Just think about what consumers want today: online ordering and delivery right to their door, instant access to people at all levels using social media, constant updates on news through alerts on their smartphones and even their watches, connectivity to the important people in their lives



– the list is endless because everyone has different desires, but the underlying current is instant and constant. So what does that mean for accountants?

For one thing, you can be sure that technology trends in the future are going to lead toward ease of use, connectivity, instant gratification. But for now, perhaps the place to start is in your own office, with your own people, your own clients.

Try taking one day and documenting the client experience in your firm. Think about these issues as you imagine yourself being one of your clients:

- How do clients contact you?
- If they phone, does a person answer or is there an automated service?
- What are each of those experiences like?
- How long do clients typically wait on hold?

- What is the hold experience like?
- How often do your clients get routed to voice mail?
- How rapidly do you reply to voice mail messages?
- For clients coming in the office, how comfortable is your waiting area?
- How are clients greeted?
- Are clients offered a beverage?
- Is there WiFi for the clients to use and are they made aware of this?
- How long do clients typically wait in the reception area?
- Within your office, is there comfortable seating? A work table? Is the lighting bright and welcoming?
- Do you look at the clock or your watch when talking with clients?
- Do clients know if you are timing their visit and how or if they are being charged for that time?
- Do you provide a portal where

your clients can securely share documents?

- If there is a portal, have you instructed your clients on how and why to use this?
- Are clients encouraged to contact you whenever they have questions?
- If so, have you explained the best way for them to contact you?

If you were the client, would you respond negatively to any of these experiences? As the accounting practitioner, do any of these items frustrate you? By picking apart your client experience into small steps, you can isolate problems and find ways to make the experiences better both for you and your clients. ■

— Gail Perry, Editor-in-Chief

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## Accounting Software is Making Progress

IF YOUR FIRM intends to be a trusted advisor in accounting, it is time to consider the myriad of changes made in the past year and announcements to be made in 2017. There are so many pending announcements from significant publishers and vendors, I can't wait for you to see what is in store. Why get excited about accounting software? Because new products created over the last 20 years are starting to mature. They have become easier to use and are more feature complete. Some pundits say that features don't matter, but features are what allow products to complete critical tasks.

While numerous jokes could illustrate this point, I'm thinking a food analogy can help you the most. Software publishers have been planning the menu for a long time. They have shown pictures of the banquet to expect and you can even smell the food cooking. The meal has been elegantly plated, and put in front of you. You haven't eaten since sometime yesterday and are famished. However, the features of utensils, chairs, beverages and teeth are missing. A few of you have decided to just pick up the food with your hands because you are so hungry. Others of you are politely waiting for the finishing touches before sitting down to enjoy the new feast. How easy is it to eat soup with a fork or a knife? Do the features of utensils and teeth matter? I believe they do.

### WHY NOW?

Several things are coming together for this perfect storm of change:

- Cloud technologies are becoming more stable, faster and in general less expensive
- Connections between systems are becoming more reliable whether products are in the cloud or premise based
- Mobile enablement and/or mobile apps are increasingly planned and used
- Reporting tools, Business Analytics

and Intelligence tools and interfaces to systems are more intuitive

- Large vendors like Microsoft are adding connections for PowerBI and the frequently used SQL databases interface more readily to common tools like Excel
- Many legacy products have been getting modernization and almost 100% have a hosted version if you don't want to run them on premise
- A number of publishers have products that can run on-premise, in the cloud, both or some form of a hybrid offering
- Older products are being discontinued or not upgraded

Further, specific vendors have improved their products notably or introduced new ones. Examples from A to Z include:

- AccountantsWorld Accounting Power
- Acumatica
- Biznet Software's BizInsight
- Epicor
- Intuit QuickBooks Online
- Microsoft Dynamics 365 for Financials
- Microsoft Dynamics 365 for Operations
- Microsoft Dynamics 365 Enterprise
- Open Systems TRAVERSE
- Sage Live
- Sage 50c
- Sage 300c
- Sage X3

- Xero
- Zoho Books
- And many more....

Further, if you are going to be a trusted advisor who provides collaborative accounting services, you are better off choosing a tool that is hosted or that runs in a web browser. You'll likely need more than just the base accounting software product. In prior columns, we have discussed reporting tools, budgeting tools, payroll systems, time and expense tools, and many more.

You need to provide a complete solution to your client that you have thought out and can consistently provide as a service. To my knowledge, this year marks the 22<sup>nd</sup> year of my recommendations to build collaborative accounting practices. This service offering has become more popular in the last ten years or so (is it OK to say it is finally "catching on"?). Over the last six months or so, I've been warning that we are entering a phase where the service will not be as profitable for a variety of reasons. You can't expect this service to be the only offering that maintains profitability as assurance and compliance services become less profitable. As products in the pipeline are announced and become stable, we'll spend some time on "the next big thing" that you can use for improved client service and partner profitability. In



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the meantime, though, you can help clients modernize their systems and provide a productivity boost for their team. You can either help and learn, or you can sit on the sideline and be marginalized. Your clients will move ahead whether you are ready or not and with or without you.

### WHAT ELSE IS MAKING THIS HAPPEN?

Revised and new products have additional features and new capabilities. Common capabilities that were hard to come by in the past include:

- Workflow
- Mobile apps
- Bank feeds
- Paperless documentation support for payables, orders and other documents of record
- Dashboards that allow drill down to the underlying transactions
- Smartphone camera capture and location tracking for mileage, time and expenses
- Connections to services like sales tax, reporting and other core transactional systems

■ Personalization that has become far easier

For example, Acumatica and Zoho both have the ability to choose and publish only the section of the accounting software that is needed to do the job. This allows for interfaces by functional area and the ability to create workflows in addition to improving security while simplifying the work. Automated forms filling and integration into productivity software has become almost universally standard. Acumatica, Dynamics 365 for Financials, Sage Live, and Zoho all have an integrated CRM. Integrations for eCommerce are surprisingly common, and how many businesses don't have an eCommerce component today?

Fixed fee implementations are very common with Epicor, NetSuite, Open Systems and others offering implementation in this style. Most modern systems are:

- Designed for the cloud with an anywhere/any device approach which means a mobile and browser friendly environment
- Able to handle rich functionality with workflow
- Providing high value and allow you to configure the business system to be most useful for the company
- Able to accommodate multi-cloud systems where a workflow can start from Office 365 or other productivity software, then go to an eSignature product, into the accounting system, and return to email

■ Training installers to specialize in more vertical niches and have more expertise in particular business models

## SO, WHAT'S NEXT?

Consider your needs, or your client's needs. Build a list of 10-15 key items that you need and 5-7 items you don't want to lose by changing accounting software. Consider your workflows. If you have not mapped your work processes, you may want to consider completing this activity. Review available options as a fit for your needs, but remember to do this in anonymized browser sessions to minimize being tracked by the providers. We recommend either demonstrations of potential systems or trial periods

on simpler systems to prove the fit. You can find guidance on the steps and reviews of a variety of products at [www.accountingsoftwareworld.com](http://www.accountingsoftwareworld.com) (we don't track you here), or you can contact me directly for guidance on the process and insights on a broad range of products. BTW, we don't sell these applications, and we don't take commissions. We have had the good fortune of helping virtually every publisher whose name you recognize design and build their offerings. Yes, we do understand the good, the bad and the ugly, and you should, too. We have a pretty good idea of what is tasty, meaty, or sweet and what is poison. Isn't it time to enjoy that elegant meal? ■



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This month's focus is on nonprofit entities - information that will be helpful to you in guiding your nonprofit clients with their decisions.

In addition to information about best practices relating to nonprofits, we reviewed many nonprofit accounting software solutions. You'll also find resources that can help you with issues specific to nonprofits. Throughout this issue, there are tips and tools to improve your skills in this area.

# Nonprofit Financial Fraud

## *Internal Vulnerabilities and Steps to Address Them*

**By Peter Stam**

I RECENTLY MODERATED a session at an association meeting "The Role of Internal Controls in Preventing Bank Fraud." The speakers included a bank examiner, a CPA and the CEO of a nonprofit agency. They provided a nice balance of different points of views and resulted in a good discussion.

ONE THING QUICKLY became apparent: There are really two avenues for bank fraud, internal and external, and there are different activities or functions that a nonprofit should include to reduce the chance of fraud in their organization. All of these apply to government agencies as well. I'm going to spend the rest of this article on internal issues.

FOR INTERNAL FRAUD there are three areas that must be managed, including cash receipts, accounts payable and payroll. Each provides an opportunity for individuals to divert funds illegally and in all cases separation of duties and multiple eyes on activity reduces the chance for fraud.

The most vulnerable area is probably cash receipts - especially if the organization handles cash - but even checks are subject to misuse. With cash receipts it's critical to have a separate person handle the initial receipts and to log them in a book or spreadsheet. Then the receipts should be forwarded to a second person to enter into the accounting system and batch into deposits. The deposits should be reconciled to the original log. Even in a small organization these duties can be separated. I've seen the executive director's assistant and front desk clerks do the original opening of envelopes and log-

ging the receipts, for example.

The second area to review is accounts payable where two kinds of fraud can take place: fraudulent charges and redirected payments. In the first case extra bills are slipped in from a dummy company or for services not really rendered. An employee puts them into a run and they get approved because they look correct or are similar to other charges from real vendors.

I have heard of this going on for a long time as once it's started the manager gets used to seeing bills from the fraudulent vendor. The best solution for this is to have the operating departments approve all invoices prior to payment and to have a fiscal review. If an agency is large enough to support it, this should be one of the functions of the internal auditor: to spot check invoices and determine that the services or supplies were actually delivered. Even in a small organization there should be two reviewers/approvers for all invoices.

If the invoices and payments are for the finance department perhaps the Executive Director should review their bills for appropriateness and validity. Fraudulent charges is an important area to monitor as it can be easy to slip in a bill if the review and approval steps are not in place. Redirected payments is the third area to monitor for fraud. Typically this happens either by substituting the vendor name on the check for valid bills, or by cutting extra checks. Again with the flow of funds through a bank account and the fact that checks don't even get returned anymore it can be difficult to capture this fraud. There are several actions an organization can take to reduce this.

First, separate invoice entry and payment selection from the person who actually cuts the checks. If the AP clerk is doing entry and preparing the check run, have a second person process the check run and compare it to the preliminary register. The name and amounts should be the same. Treat it as a batch to be reconciled and require the preliminary register be delivered with the checks to be signed. If check signing software is used, it's even more important to have the batch reviewed by a second party.

Some software records the name actually printed on the check as part of creating the check record. In this case a final register should also be printed showing the stored vendor name. Part of this process should also be to track all check numbers in a batch and from batch to batch. If there are missing check numbers determine why there are breaks. This may not stop someone from cutting a check manually and not including in the system, but this will show up quickly during the reconcilia-

Peter Stam is the President of AccuFund.

tion and will reduce it to a one time occurrence.

Most of the new systems utilize blank stock and print the entire check. This helps with fraud prevention as there are no preprinted checks sitting around to steal. The down side is there are no pre-printed numbers to monitor, but as long as someone can get your bank transit and account number, having

pre-printed stock won't stop them. One way to catch redirected fraud more quickly is through the use of "Positive Pay" available from most banks. To do this after every check run, you upload a file to your bank that lists the check number date amount and vendor name of all checks cut. If a check is presented that doesn't match the file, the bank will notify you and provide a copy

of the check for you review. This is also discussed in external fraud, but it's just as relevant for re-directed or extra checks that may be created by an employee.

One recurring theme you've probably noticed in the advice above, is the need for redundancy in processes so that one person doesn't control all of the steps in any one cash related activity.

It's much harder to defraud an organization when multiple staff are involved in these activities. In a larger organization it's easier to provide these controls, however it's possible and essential to do them in smaller organizations. ■

*Peter Stam is the president of AccuFund.*

# Survey Shows Nonprofits Most Concerned with Staffing and Funding Cutbacks

*By Isaac M. O'Bannon, Managing Editor*

**STAFF RETENTION AND recruitment ranks as the number one challenge for nonprofits, according to the first annual BDO Nonprofit Standards, a benchmarking survey designed in partnership with The NonProfit Times. More than 70 percent of respondents cited those staffing concerns.**

The survey is intended to provide tax-exempt organizations with a barometer to measure performance on key areas including strategic planning, operations, scope and impact, human resources and governance.

With breakouts by revenue and sector, nonprofits of all sizes and missions can use the report's data to find out how they compare to their peers. Organizations can also leverage the findings to help them make important strategic decisions to improve long-term sustainability and success.

Lead findings include:

**Staff retention, funding squeezes and board leadership rank among top challenges.**

Staff retention and recruitment ranks as the number one challenge for nonprofits, cited by 72 percent of the respondents. Cutbacks in funding and drops in revenue

follows, identified by 48 percent of nonprofits. Attracting quality leadership and board members (cited by 34 percent), rising costs (33 percent), compliance with government regulations (28 percent) and excess demand for services (25 percent) were also among the other top challenges.

"People are at the heart of the nonprofit sector—and the data reflects that organizations deeply value their staff, leadership and board members. To maximize tightening budgets, it's increasingly important to cultivate effective leadership at the board level and competent, effective management to conduct operations," said Laurie De Armond, partner and national co-leader of BDO's Nonprofit & Education practice.

**Organizations may be overlooking liquidity issues.**

While only 11 percent of non-

profits name liquidity as a concern, most (53 percent) maintain less than six months of liquid restricted net assets. The liquidity deficit is stark among health and human services organizations—nearly one-quarter (23 percent) do not maintain any operating reserves, compared to just six percent of public charities.

"Liquidity issues can often fly under the radar for organizations. Nonprofits are facing an unprecedented level of uncertainty this year, as government funding—at both the federal and state level—hangs in the balance. To protect themselves from any negative impact of continued funding shortfalls, it is essential that nonprofits take proactive measures to focus on sustainability and build up their reserves," said Adam Cole, partner and national co-leader of BDO's Nonprofit & Education practice.

**Redefining scope for future operations.**

Nonprofits look to many different strategies to ensure sustainability and further their missions. While the majority of organizations (70 percent) did not increase their scope last year, survey results

suggest that hopes for increased activity remain. Over the next two years, 56 percent of nonprofits plan to introduce new programs. Of those organizations, 27 percent will eliminate some current programs and introduce new ones.

**BDO Nonprofit Standards, a Benchmarking Survey**

*These findings are from BDO's first annual Nonprofit Standards, a national benchmarking survey of 105 nonprofit organizations, across a variety of sectors with revenue above \$10 million as of their last fiscal year. The survey was conducted in partnership with The NonProfit Times and fielded by Campbell Rinker, a market research firm.*

To find out how your nonprofit clients compare to industry peers, view the full report at <http://bit.ly/2uvtBWE>. ■



THE PHILANTHROPIC TRACKING organization Guidestar.org estimates that there are currently 2.2 million nonprofits in the U.S., with 1.8 million of those nonprofits active. In fact, five states - California, Texas, New York, Florida, and Pennsylvania - each have more than 100,000 active nonprofits currently registered. While most nonprofits currently operate as public charities, private foundations are also abundant. In fact, there are nearly thirty nonprofit classifications; ranging from charitable organizations to labor organizations to state-chartered credit unions. And they all share one thing: the need to manage funds properly; whether those funds are in the form of donations, grants, program income, memberships, or product sales.

While it's common practice for very small nonprofits to utilize standard accounting applications, even the smallest nonprofit can benefit from utilizing a product designed specifically for its needs. Unfortunately, there are those who use spreadsheet software to manage their nonprofit, creating an even greater burden on both employees and accountants to track and manage finances properly. At times, very small nonprofits have been under the mistaken notion that nonprofit software is out of their price range, but there are several products available that are very affordably priced, for even the most limited budget.

Another issue that frequently arises is uniformity. Does your client currently run multiple systems, perhaps implemented as needed, but unable to integrate with each other? In an ideal world, nonprofits are able to track revenue and expenses, manage donors and donations, manage grants

and fundraising activity, and produce the reports needed. The question is; how many applications are your nonprofit clients using to accomplish those tasks? If the answer is more than one, it may be time to update their software.

But what is the best product for your nonprofit client? A straightforward question with a not so straightforward answer. There are a few questions you can ask that will make it a little easier to find the best product to suit your client's needs. Do they need anytime/anywhere access to the application? Are they funded primarily by grants or does funding come from private donors? Does their nonprofit offer a membership option?

Getting the answers to these questions will go a long way towards determining which product is best suited for their needs; both now and in the future. For instance, if they're funded by grants, a grants management module can be extremely helpful. If the

majority of their funding comes from private donations, they run frequent campaigns, and they are actively cultivating new donors, then a fundraising/CRM module is a necessity. If they offer a membership benefit, your client will need an effective way to track membership levels and ensure that members receive all of the benefits promised.

The products included in this review range from an entry level product well suited for small nonprofits to those suited to larger nonprofits with more complicated needs. Like the nonprofits themselves, the products vary in size and scope, from 1-2 user systems, to sophisticated enterprise level products that are best suited for the biggest nonprofit.

With our new review protocol, we looked at each system carefully, noting whether each application contained specific features. Those features included cloud deployment options, a customizable chart of accounts, the

availability of multiple account segments, the option to process multiple transaction types, budgeting capability, donation tracking, donor management and fundraising capability, and host of other features that are important when making the decision to purchase a nonprofit product.

When working with your client to determine the best solutions available for their particular needs, other factors can come into play, such as deployment options, comfort level of the employee(s) who will be using the product, expected growth of the nonprofit in the coming years, and final cost of the application itself, including estimated downtime and time needed for any training.

Most of the products reviewed here have online or downloadable demos, and all of the software vendors are happy to provide potential users with a product demonstration, if requested.

While no two nonprofits are the same, the scope and depth of the products profiled here are sure to fit the needs of just about any nonprofit organization, large or small. ■

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# NONPROFIT ACCOUNTING SOFTWARE: REVIEW

## Abila MIP Fund Accounting

[www.abila.com](http://www.abila.com)

Abila MIP Fund Accounting is best suited for small to mid-sized nonprofit organizations as well as government agencies that actively manage multiple funds.

Cloud-based, MIP Fund Accounting is hosted on Abila's secure cloud. A mobile app is also available, so users can access the system from a smart phone or tablet. A locally installed version of the product is also available for those that prefer.

The latest version of MIP Fund Accounting offers numerous software enhancements, including performance improvements in the application, as well as improved email reporting capability.

★ **5** 2017  
OVERALL  
RATING

Read the full review  
for this product online at:  
[www.CPAPracticeAdvisor.com/  
12347683](http://www.CPAPracticeAdvisor.com/12347683)

## AccuFund for Nonprofits

[www.accufund.com](http://www.accufund.com)

AccuFund for Nonprofits is well suited for the mid-sized nonprofit organization or government entity. Scalable, AccuFund offers a variety of deployment options that can suit just about any user's needs, including a traditional desktop installation, an online product, and two

cloud-based versions of the product: Anywhere, designed for smaller nonprofits, and Anywhere Complete, which offer complete product functionality.

AccuFund offers a comprehensive GL structure, with a 255 character alphanumeric structure that is completely customizable. The structure supports up

to 99 segments within the 255 characters, with users able to create segments of any length when setting up the application. Users can also opt to use the default chart of accounts if desired.

AccuFund easily handles multiple transaction types, including grant and project budget entries, budget revisions,

★ **5** 2017  
OVERALL  
RATING

allocations, encumbrances, memo entries and closing entries.

Read the full review  
for this product online at:  
[www.CPAPracticeAdvisor.com/  
12347676](http://www.CPAPracticeAdvisor.com/12347676)

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## AccuFund Helps Alaskan Nonprofit Make Dreams Come True

The Boys and Girls Clubs of Alaska turned to AccuFund to help them meet their mission, and it has helped them even more by improving the organization's efficiency and accuracy, and giving remote access to vital staff, even those in a location like ...

When most Americans think of Alaska, they think of petroleum and vast landscapes, of oil workers and hearty fishermen, of glaciers and Mount Denali (McKinley), of a strong and vibrant people. These are only part of Alaska's treasures. Twice the size of Texas and larger than all but 18 of the world's nations, the state is, of course, really big, and has a climate and limited infrastructure that can be a challenge to any organization, especially one that thousands of youth in the state rely on. Such is the challenge for the Boys and Girls Clubs of Alaska ([www.bgcalaska.org](http://www.bgcalaska.org)), a nonprofit that offers programs in more than 30 communities in the state, giving kids safe places to learn and grow.

A few years ago, Charlotte E. Dennis, the CFO of the Boys and Girls Clubs, turned to AccuFund to help improve their financial and resource management. Having been associated with the nonprofit since about 1980 when her own children were involved in youth activities, Charlotte joined as a staff member in 1997. She says that AccuFund helps them achieve

their core mission of providing fun, safe and educational activities to more than 10,000 kids per day and 50,000 to 60,000 additional children who participate in non-daily activities. Services and activities include licensed childcare and a variety of after-school programs and athletic leagues, including soccer, football, karate, basketball and aikido.

With as much as 1,200 miles between locations, managing the organization's various resources, including the clubhouses they use as in-kind donations, would be difficult if their management team didn't have resources that were flexible enough to give them strong financial and managerial oversight. The organization has about 160 full and part-time staff across the state, along with hundreds of volunteers. In 2016, they saw revenue of \$10.4 million, including in-kind facilities donations, investment income and more than \$7 million in grants and cash donations. In addition to these programs, the Boys and Girls Clubs of Alaska also organizes several annual fundraising events.

Charlotte and her team switched to AccuFund about five years ago. The nonprofit accounting management software has core accounting modules for GL, budgeting, AP, reconciliation, reporting and dashboards. The group also uses several additional AccuFund modules, including HR, payroll, remote access portals, purchasing, grants management and invoicing. AccuFund also offers accounting software for government

entities, endowments and fundraising.

She says the most valuable modules for them are the grant management system, which allows tracking of funds by federal, state and private grants, as well as HR, AP and payroll, and the highly customizable reporting functions that let her and her staff drill down into specific transactional details and maintain strong controls, include user access rights and security.

"I really like the reporting functions, like the classifications tool and cross-year reporting, and the ability to pull information out into PDF or Excel whenever we need to."

Charlotte noted that the system they used before switching to AccuFund was falling behind in its ability to handle complex issues. "It also wasn't user friendly, and had limited remote access options," she says. "But AccuFund has been great from the first day." A local reseller helped them with initial installation and data conversion, but since then, the organization uses the support staff at AccuFund, and says that their primary support contact Jonas always comes through for them.

The Boys and Girls Clubs of Alaska turned to AccuFund to help them meet their mission, and it has helped them even more by improving the organization's efficiency and accuracy, and giving remote access to vital staff, even those in a location like Selawick, Alaska, that is so remote it "might take three planes and a dog sled" to get to in person.

Read the 2017 review of AccuFund at [www.cpapracticeadvisor.com/12347676](http://www.cpapracticeadvisor.com/12347676)

# REVIEW: NONPROFIT ACCOUNTING SOFTWARE

## Aplos Accounting

[www.aplossoftware.com](http://www.aplossoftware.com)

Aplos is well-suited to small to mid-sized nonprofits with revenues of \$500,000 to \$5 million annually. Completely cloud-based, Aplos works on both Windows and Mac platforms, and contains an easily navigated user interface that guides users to the functions they need to access. Aplos is available in three versions; Starter, Standard, and Advanced.

Default funds can also be assigned to any account number if desired. One of the nice features is that all system funds are assigned a color, making it easy to track all activity against that particular fund.

Users can track donations by individual donor, and the system easily handles online donations. The Donor Management dashboard provides a convenient list of all engaged donors, total online donations, and the number

of active recurring donors. Users can create 'purposes' to track donations for various campaigns and programs, and the ability to create online donation forms is a great tool for smaller nonprofits.

For Standard and Advanced version users, a Contributions Manager is included that offers easy tracking for both online or manually entered donations. The Contributions Manager also tracks special gifts, and will automati-

★ **4.5** 2017  
OVERALL  
RATING

cally create contribution statements at year end.

Read the full review  
for this product online at:  
[www.CPAPracticeAdvisor.com/  
12347675](http://www.CPAPracticeAdvisor.com/12347675)

## Araize FastFund Online Nonprofit Accounting

[www.araize.com](http://www.araize.com)

FastFund Nonprofit Accounting from Araize is best suited for the small to mid-sized nonprofit organization. Available online exclusively, FastFund offers easy system navigation, along with an affordable price tag.

FastFund Nonprofit Accounting offers two product versions: Standard and Premium, though Standard users

can choose from additional modules and simply pay the difference in pricing. FastFund offers users custom chart of accounts capability, with users able to choose from up to six account segments. The chart of accounts uses a table driven format and can accept up to 36 characters, with up to 6 characters per segment, which can be used to handle programs, grants, departments,

and accounts.

FastFund can easily process multiple transaction types, including general journal entries, recurring entries, reversing entries, vendor invoicing, payment scheduling, processing checks, client management, receivables tracking and management, payment application, and cost allocations including allocation by percentage or project code, as well as

★ **4.75** 2017  
OVERALL  
RATING

the ability to allocate both expenses and revenues against a particular program.

Read the full review  
for this product online at:  
[www.CPAPracticeAdvisor.com/  
12347688](http://www.CPAPracticeAdvisor.com/12347688)

## Blackbaud Financial Edge NXT Nonprofit Accounting Software

[www.blackbaud.com](http://www.blackbaud.com)

Financial Edge NXT from Blackbaud is best suited for mid-sized nonprofit organizations as well as government entities and NGO's. Financial Edge is a 100 percent cloud-based application that can also be used from a smart phone or tablet.

Financial Edge NXT offers a com-

pletely custom account structure, so users can create the chart of accounts that best suits their needs. Users can use the default structure or add additional segments as desired, with the ability to adjust segment length if desired. The default chart of accounts requires the use of two segments, but can handle up to ten segments in total,

with a total length of 30 characters.

Financial Edge handles a variety of transaction types, including all GL related activity including journal entries, AP and AR management, project, and grant and endowment management, consolidation management. Users can also create recurring invoices, process credit memos, create

★ **5** 2017  
OVERALL  
RATING

invoices, post charges, payments, and donations, and process purchase orders.

Read the full review  
for this product online at:  
[www.CPAPracticeAdvisor.com/  
12347685](http://www.CPAPracticeAdvisor.com/12347685)

## Denali FUND Nonprofit Accounting

[www.cougarmtn.com](http://www.cougarmtn.com)

Denali FUND Nonprofit Accounting from Cougar Mountain Software is well suited for small to mid-sized nonprofit organizations and government entities. A modular system, Denali FUND is scalable, so even the smallest nonprofit can utilize the product and scale up if necessary. Currently, Denali is offered

in three versions; Basecamp, Ascent, and Summit, with each subsequent version offering more modules and functionality.

Denali now offers Denali Nonprofit Cloud, that offers the same functionality of its popular desktop application, with the added benefit of anytime/anywhere accessibility.

Denali supports unlimited funds, with users able to create a unique fiscal calendar and chart of accounts for each fund set up in the applications. Denali offers a flexible chart of accounts structure, with up to six segments and 50 characters available for use when setting up funds. Denali utilizes batch processing, which some may prefer for

★ **4.5** 2017  
OVERALL  
RATING

security reasons, but others may find burdensome.

Read the full review  
for this product online at:  
[www.CPAPracticeAdvisor.com/  
12349809](http://www.CPAPracticeAdvisor.com/12349809)

Read all reviews for NONPROFIT ACCOUNTING SOFTWARE online at: [www.CPAPracticeAdvisor.com/12345902](http://www.CPAPracticeAdvisor.com/12345902)

## Fund E-Z Nonprofit Accounting

[www.fundez.com](http://www.fundez.com)

FUND-E-Z is best suited for small to mid-sized nonprofit organizations. The product is available in two versions, Basic and Pro, and now offers cloud-hosting, eliminating the need to install the product on an in-house network.

Available in two versions, smaller

nonprofits can quickly scale up to the Pro version of FUND E-Z. With new cloud services offered, users can now choose to install the product locally, or have it hosted on the FUNDE-Z system, allowing anytime/anywhere access.

FUND E-Z offers users the ability to choose between two chart of account

structures. The Basic version of the software contains a fixed segment chart of accounts, with a 22-character capability and up to three cost centers. The Pro version of the product offers a more custom chart of accounts, up to 100 characters in length, and up to eight additional cost centers, as well as both

★ **4.75** 2017 OVERALL RATING

fund level and account level segments.

Read the full review for this product online at: [www.CPAPracticeAdvisor.com/12347681](http://www.CPAPracticeAdvisor.com/12347681)

## GMS Grants Management Systems

[www.gmsactg.com](http://www.gmsactg.com)

Grants Management Systems (GMS) is a nonprofit accounting and financial management software that is designed for organizations that need to track grant, contract, and program activity. GMS is a good fit for organizations that receive the bulk of their funding from grants or contracts. Designed to be deployment on-premise, users can

also choose to install the product on a cloud-based virtual server for more convenient system access.

GMS users a 5-digit code for all regular accounts, such as general asset and liability accounts. A 6-digit code is used for tracking other data such as cost centers and program activities, with the 6-digit code linked to a specific project. Users can make each program element

inactive if it's currently not being used. Though users can easily add additional accounts, there is currently no option to create multiple account segments.

GMS handles multiple transaction types, including general journal entries, cash receipts, AP processing including processing AP checks, vendor management, scheduling of payment dates, document management, a cut down

★ **4.25** 2017 OVERALL RATING

version of the GL function for organizations that don't require additional functionality such as Payroll, AP, and Cost Allocations.

Read the full review for this product online at: [www.CPAPracticeAdvisor.com/12347684](http://www.CPAPracticeAdvisor.com/12347684)

For over 30-years, Grants Management Systems, Inc.(GMS) has provided NFP organizations with experience, reliability, and trust. GMS's cost-effective, fully integrated NFP accounting and financial management software includes:

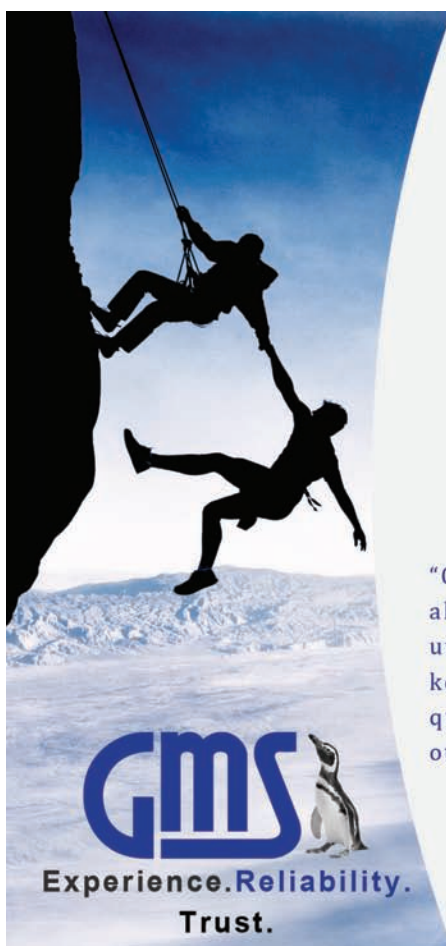
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- Integrated Payroll, Leave Accounting & Labor Distribution
- Document Attachment & Automatic PDF Reports
- Over 60 supplemental options to further customize your system including Report Writer, Accounts Receivable, Fixed Assets Inventory and Purchase Orders
- GMS also offers Revolving Loan Servicing Software (receive 25% off through September 2017)

"GMS software is an excellent accounting management tool for non-profits. The software allows users to track individual grant program revenues & expenditures with ease. GMS also utilizes current technologies to import and export computer files eliminating the need to keep countless paper records, which is important in today's paperless environment. With quick response times and a knowledgeable staff, the support GMS provides is unmatched to other software providers I have been involved with."

- Sam Johnson, Regional Transit Authority

Schedule your live demo today!

Visit [www.gmsactg.com](http://www.gmsactg.com) or call 800.933.3501.



# REVIEW: NONPROFIT ACCOUNTING SOFTWARE

## QuickBooks Online Nonprofit Version

[www.intuit.com](http://www.intuit.com)

QuickBooks Online offers a nonprofit version of its software that is best suited for smaller nonprofits with less complicated needs. QuickBooks Online offers four editions of the software: Self-Employed, Simple Start, Essentials and Plus, with each edition offering additional functionality.

QuickBooks Online offers the

same functionality across multiple business types, so users would need to choose 'nonprofit' when setting up QuickBooks Online in order to create the correct default chart of accounts, which includes accounts such as Pledges/Donations Receivable, Gift-in-Kind, Membership Dues, etc. Additional accounts can be added in QuickBooks Online if desired.

Not a true fund accounting system, users can create custom accounts if they need to track a fund or two, but the program would quickly become cumbersome if more complex tracking were required.

Like all QuickBooks products, multiple transaction types such as bill payment, receivables tracking, donor/customer pledges, vendor management,

★ **4.25** 2017  
OVERALL  
RATING

and regular journal entries are easily processed.

Read the full review  
for this product online at:

[www.CPAPracticeAdvisor.com/  
12347680](http://www.CPAPracticeAdvisor.com/12347680)

## Serenic Navigator

[www.serenic.com](http://www.serenic.com)

Serenic Navigator from Serenic Software is a comprehensive software product best suited for mid-sized to larger nonprofit organizations, government entities and NGOs. Serenic Navigator is available in three deployment options;

On-premise, Hosted via a subscription, or through Microsoft Cloud Services.

Powered by Microsoft Dynamics NAV 2016, Serenic Navigator offers a fully customizable chart of accounts, where users can utilize up to 110 alphanumeric characters. The chart of

accounts can include up to 10 primary dimensions. Users can also set up an unlimited number of additional dimensions to create sub-ledger reports.

The product handles a number of transaction types including estimates, obligations, payment processing, sales and use tax, regular and recurring journal entries, automatic and electronic bill

★ **4.75** 2017  
OVERALL  
RATING

payment and track a variety of account types, funds, and classes.

Read the full review  
for this product online at:

[www.CPAPracticeAdvisor.com/  
12347678](http://www.CPAPracticeAdvisor.com/12347678)

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## Tangicloud for Nonprofits

### and Government

[www.tangicloud.com](http://www.tangicloud.com)

★ **5** 2017  
OVERALL  
RATING

As the leading NAV pioneers since 1999, Tangicloud uses Microsoft Dynamics NAV as its ERP system in its new product which was launched in July 2016. Tangicloud Technologies utilizes the popular Microsoft Dynamics NAV platform in Tangicloud, a fund accounting suite of applications. Server options include Microsoft Dynamics 365, Microsoft Azure, or Microsoft SQL Server, which is used for both cloud or on-premise deployment. Users can use popular web browsers and also opt to connect to the application using Windows 10, Windows Mobile, or by using iOS or Android devices.

Tangicloud is complete fund accounting, and offers an extensive selection of modules to choose from. Completely cloud accessible, Tangicloud offers a fully customizable chart of accounts that supports multiple dimen-

sions, enabling users to track multiple funds easily. As a full suite of modules, Tangicloud easily supports multiple transaction types including fixed asset management, vendor management including both vendor requisitions and purchase orders, customer management including invoicing, monthly statement generation, and automatic bill reminders to past due customers. Tangicloud also offers easily online bank reconciliation capability, as well as the ability to handle an unlimited number of funds including restricted, temporarily restricted or unrestricted funds as needed.

Read the full review  
for this product online at:

[www.CPAPracticeAdvisor.com/  
12347694](http://www.CPAPracticeAdvisor.com/12347694)

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[www.CPAPracticeAdvisor.com/12345902](http://www.CPAPracticeAdvisor.com/12345902)

# NONPROFIT ACCOUNTING SOFTWARE: REVIEW

## Xero for Nonprofit Accounting

[www.Xero.com](http://www.Xero.com)

Xero is a great fit for very small nonprofits that are looking to track limited funds or grants. While the application can be customized to suit the needs of a nonprofit, its strength lies in small business accounting functionality.

Xero offers complete online access-

sibility, with the product available in three versions; Starter, Standard, and Premium, with each edition offering increased product functionality. The chart of accounts is provided by default when a user signs up for Xero, with limited customization capability provided, though users can import a

chart of accounts from another application if desired. Users can create separate codes for each fund or grant they want to track in Xero, though the tracking capability is limited, and can become a burden for organizations that need to track multiple funds or grants.

★ **4.25** 2017 OVERALL RATING

Read the full review for this product online at:  
[www.CPAPracticeAdvisor.com/12349810](http://www.CPAPracticeAdvisor.com/12349810)

	CLOUD ACCESSIBILITY	CUSTOMIZABLE CHART OF ACCOUNTS	MULTIPLE ACCOUNT SEGMENTS	MULTIPLE TRANSACTION TYPES	BUDGETING	DONATION TRACKING	DONOR MANAGEMENT/FUNDRAISING	GRANT MANAGEMENT	ALLOCATIONS	AUTOMATED DUE TO-DUE FROM CAPABILITY	MULTI-LEVEL SECURITY	MANAGEMENT REPORTING	INTEGRATION WITH VENDOR MODULES	INTEGRATION WITH THIRD-PARTY APPLICATIONS	HELP & SUPPORT OPTIONS
ABILA MIP FUND ACCOUNTING	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
ACCUFUND	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
APLOS ACCOUNTING	X	X	X	X	X	X	X		X		X	X	X	X	X
ARAIZE FASTFUND	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
FINANCIAL EDGE NXT FUND E-Z	X	X	X	X	X	*X	*X	X	X	X	X	X	X	X	X
DENALI FUND NONPROFIT ACCOUNTING	X	X	X	X	X	*X	*X		X	X	X	X	X	X	X
GMS	X			X	X			X	X		X	X	X	X	X
QUICKBOOKS ONLINE	X	X		X	X	X					X	X	X	X	X
SERENIC NAVIGATOR	X	X	X	X	X			*X	X	X	X	X	X	X	X
TANGICLOUD	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
XERO	X	X		X	X						X	X	X	X	X

\*Separate Program

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## Government Apps

AS ACCOUNTANTS, WHEN we think of government apps, our minds frequently point to the IRS and state revenue agency apps. But there is so much more. I had fun this month exploring apps our government has to offer and was surprised at how much our government agencies are taking advantage of technology. Here's a sampling of what I found.

The **Voice of America** began as a shortwave network during World War II as part of the Office of War Information and continues today as a source of constant multimedia news and the official external broadcasting institution of the United States. Offered in 44 languages, the networks reach over 230 million people worldwide.

The Centers for Disease Control offer a num-

ber of games in the form of apps. You can learn about disease trivia with **CED Health IQ**, and even learn to achieve the level of Disease Detective while you get clues and solve for potential disease outbreaks with **Solve the Outbreak**. On a more serious health note, if you're planning on traveling outside the country, you can use the CDC **TravWell** app to learn what vaccinations you need and get tips for healthy packing.

Soldiers use an app called **Tactical Breather** from the National Center for Telehealth and Technology, but anyone can use this app to gain control over your heart rate, emotions, concentration, and other physiological and psychological reactions to stress. Reviews describe the app as "a life saver" and in-app tutorials help you learn the benefits and techniques of tactical breathing.

If someday you would like to be a Mars traveler, or even an arm-chair astronaut, check out **NASA Be a Martian** app from the Jet Propulsion Laboratory and you can see images from our spacecraft, learn about all active missions, get the latest news, and even ask questions.

The Jet Propulsion Laboratory also created

**Earth-Now** which lets you see real-time climate data from the satellites circling our planet. View updates on weather conditions, wildfires, sea level variations, ozone, hurricane information – it's mesmerizing if you're a weather junkie.

Have you ever visited the Smithsonian Institution in Washington DC? If you have, you know how vast the collections are. If you haven't, you're in for an even greater treat. If you are interested in North and South American history, download the Smithsonian's **Infinity of Nations** app and you can explore collections in the National Museum of the American Indian.

Accountants should love the U.S. General Service Administration's **Per Diem for Continental U.S.** app which gives you the current per diem rates for city, state, and zip code regions throughout the United States and its territories.

Here are additional health-related apps. If you're pregnant or think you might be or know someone who is, you can turn to **Embryo** from the National Library of Medicine. This app provides you with a pregnancy calculator, imagery of early states of embryo development, and educational videos showing human fertilization. Another app, **quitSTART**, from the Tobacco Control Research Branch at the National Cancer Institute is designed to help teens and adults quit smoking by providing tracking and support, rewards for smokefree milestones, encouragement, alternatives to managing cravings, and the ability to share your progress through social media. **My BMI Calculator** from the National Heart, Lung, and Blood Institute calculates your Body Mass Index and then provides links to tips and risk factors that can help you be healthier.

Finally, travelers might want to turn to **MyTSA** from the Transportation Security Administration for security checkpoint wait times at various airports, tips for getting through security quickly, and lists of airlines and airports that support the TSA PreCheck system. ■



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# Flex Time and Short Fridays Top List of Summer Perks

By Isaac M. O'Bannon, Managing Editor

What's the hottest summer perk? Workers surveyed by staffing firm OfficeTeam said they're most interested in flexible schedules (39 percent) and the ability to leave early on Fridays (30 percent).

But companies have cooled off on providing these benefits. Sixty-two percent of human resources (HR) managers reported their organization offers flexible schedules at this time of year, down from 75 percent in a 2012 survey. About three in 10 employers (29 percent) relax their dress codes in the summer months, compared to 57 percent five years ago. Companies with shorter hours on Fridays also fell to 20 percent, a 43-point decline from 2012.

HR managers were asked, "Which, if any, of the following summer benefits are offered at your company?" Their responses\*:

	2017	2012
Flexible schedules	62%	75%
More relaxed dress code	29%	57%
Leaving early on Fridays	20%	63%
Activities such as a company picnic or potluck	17%	28%

\*Multiple responses permitted. Top responses shown.

### Additional findings:

- More than one-third of HR managers (34 percent) feel workers are less productive during the summer months. Another 34 percent said there's no change in on-the-job performance.
- Not planning well for vacations (32 percent) and unexpected absences (22 percent) were identified as the most common negative employee behaviors at this

time of year, ahead of dressing too casually (19 percent), sneaking in late or leaving early (15 percent), and being mentally checked out (12 percent).

"It's natural for employees to get distracted when the weather's nice and thoughts turn to plans outside the office. But savvy companies maintain staff productivity and morale by embracing summer in the workplace," said Brandi Britton, a district president for OfficeTeam. "Letting employees modify their schedules, leave early on Fridays or dress more casually when it's hot out are easy ways to keep them loyal and engaged."

Here are five tips to help staff make the most of summer at work:

- **Perk up.** Give employees more control over how they spend their time by offering flexible schedules and occasionally letting them leave early on Fridays. Just make sure policies are clear so business can continue as usual.
- **Rally for rest.** Remind workers to take time off, and set an example by doing so yourself. Bring in temporary professionals to fill in during absences.
- **Venture out.** Holding meetings outdoors or while taking a walk is a great way to get fresh air while accomplishing business objectives.
- **Have some fun.** Plan an ice cream break, picnic or group outing. Employees will appreciate being able to relax and bond with colleagues in a non-work setting.
- **Dress down.** Allow staff who aren't customer- or client-facing to wear more casual attire, as long as it doesn't detract from work. You might even consider instituting themed Fridays where Hawaiian shirts or sports apparel are encouraged. ■

## THIS MONTH'S TOP PAYROLL SOCIAL MEDIA POSTS

- These Trendy Office Practices May Be Killing Productivity. Dave Crenshaw via LinkedIn: <http://bit.ly/2s04oSA>
- More States Lock Down Joint-Employer Relationship. From the Bloomberg BNA blog: <http://bit.ly/2tmr83p>
- Why Can't You Retain Top Talent? Doug Dickerson via LinkedIn: <http://bit.ly/2tWf9qu>
- New Hire Paperwork: Requirements & Recommendations. From the ADP Connect blog: <http://bit.ly/2skk56l>
- What the NBA Draft Can Teach Us About Team Building. Scott Gilly via LinkedIn: <http://bit.ly/2tVTAGw>

## LATEST PAYROLL NEWS

**Half of Small Businesses Don't Offer Retirement Plans.** New research from the Pew Charitable Trusts shows that small- to medium-sized businesses are least likely to offer retirement-savings plans. <http://cpapracticeadvisor.com/12347263>

**How Women Leaders Can Change the Workplace.** As women have taken on greater leadership roles in the business world, it's paid off for both them and business. <http://cpapracticeadvisor.com/12347116>

**Goodbye Casual Friday:** Almost Every Day Is Becoming Casual. Workplace attire today is trending casual, even for historically more buttoned-up accounting and finance pros. <http://cpapracticeadvisor.com/12345195>

**More American Workers Taking Vacation Days.** American workers took an average of 16.8 days of vacation in 2016, according to new research from Project: Time Off. <http://cpapracticeadvisor.com/12344121>

**Work-Life Balance Improving.** Nine in 10 respondents reported their manager is very or somewhat supportive of their efforts to achieve this balance, and 74 percent said their boss sets a good or even excellent example. <http://cpapracticeadvisor.com/12344527>

**Payroll Accountant's Checklist for July:**

- Ensure that all monthly, quarterly and annual balances are accumulating properly; pay attention to any adjustments.
- File Form 941 for the second quarter with the IRS by July 31 (or the next business day, if July 31 is a nonbusiness day)
- Educate clients on state and federal requirements for new hire reporting.
- Remind clients about employee classification requirements.
- Review and update your payroll pricing strategy (bundling services, subscription pricing, a la carte pricing, etc.).

A Year in the Life of a PAYROLL Accountant is sponsored by ADP and SurePayroll



# Where's Your Talent Going?

By *Taija Sparkman*

THE ACCOUNTING PROFESSION has long realized that the day would come where there would be a talent gap as one generation of professionals prepares to retire and a new one is ushered in. As such, firms have been working to increase their efforts to recruit top talent and lessen the gap. However, there still remains a gap between recruiting and retaining talent.

As accounting firms work to recruit and hire top talent, they also need to focus efforts on retaining the staff already in their firm. Recent ADP research found that 67 percent of professional services employees, including accounting professionals, are actively or passively seeking new jobs. That's higher than the average across all industries. While passive job seekers are not actively looking for a new job, they will entertain recruiters that approach them, which could leave to them taking a new position. ADP found that passive job seekers make up 50 percent of the job force within professional services.

"The labor market is tightening. The talent pool is scarce and the rate of openings is growing faster than firms are hiring, which definitely creates a challenge in attracting and retaining talent.

Accounting firms can't just focus on attracting the talent. They also need to work on engaging and retaining the talent they have," said Ahu Yildirmaz, co-head of ADP Research Institute.

As firms look to recruit, engage and retain talent, they will need to focus

on five factors: flexibility, personal development, stability, freedom and meaningful work. They all essentially come down to providing a mix of the right technology and meaningful work. Ninety-five percent of employees believe they will be able to work from anywhere in the world. Accounting firms that want to attract and retain professionals need to update their expectations about where and how their staff work, as well as provide easy

access to cloud and mobile solutions, so accountants can do their jobs with freedom. Employees are also looking for the meaning in their work. No matter the size of the firm, they want meaning in the job they do.

Not surprisingly, the factors firms need to consider when recruiting talent are the same factors needed to retain talent. In fact, ADP found that 60

percent of employees have actually walked away from a job because it turned out to be different than they expected.

"Whatever you promised to attract the employee, you have to keep those promises if you wish to retain them,"

Accounting firms can't just focus on attracting the talent. They also need to work on engaging and retaining the talent they have.

**AHU YILDIRMAZ, CO-HEAD OF ADP RESEARCH INSTITUTE**



said Yildirmaz, who recently spoke at an AICPA conference on how the workforce is changing.

Job changeover is highest among younger professionals with 64 percent of employees aged 24 or younger switching jobs. The rate drops to 30 percent for professionals aged 25-34 and is even lower for those over 35 years of age, which also happens to contain those professionals nearing retirement. In the next 15 years, it is estimated that 75 percent of accountants will retire, making retention a hot button topic for firms concerned with knowledge transfer and succession.

"Millennials feel that in order for them to advance in their careers, they need to leave their current company and go to another job to get higher wages. However, we know it takes more than just wages to engage and retain talent," said Yildirmaz. "It's more important than ever for firms to focus on improving engagement and meaningful human connection and development if they want to retain their talent. Leaders have to be proactive in their efforts to create a sense of purpose between senior managers and employees that is driven from the top down." ■



# 17 Surprising Facts About Women and Retirement

By Isaac M. O'Bannon, Managing Editor

RECENT RESEARCH SHEDS light on unique vulnerabilities and considerations that women face when planning for their retirement.

The report, **Seventeen Facts About Women's Retirement Outlook** from the Transamerica Center for Retirement Studies (TCRS), shows that only about one in ten are "very confident" that they will be able to retire comfortably. At the same time, more than half are "guessing" at the amount they will need to save in order to feel secure in retirement. Household retirement savings is \$34,000 (estimated median) and more than two-thirds indicate that they have no back-up plan if forced into retirement sooner than expected. Four out of five are concerned that Social Security will not be available to them when they are ready to retire.

"Today's women are better educated and enjoy career opportunities that our grandmothers' generation could only dream about. Nevertheless, women continue to encounter challenges including lower pay, time out of the workforce for parenting or caregiving, and longer life expectancies that all contribute to unique challenges in adequately saving for retirement," says Catherine Collinson, president of TCRS.

"The facts are startling and clear. Women must begin taking greater control and gain an understanding of their true retirement outlook," said Collinson. "By confronting challenges head-on, women can acquire essential knowledge about how to achieve financial security and create plans that can help mitigate risks and steer them on a course for financial security and a more positive outlook for their retirement ambitions."

- The Seventeen Facts About Women and Retirement
- Only 10 percent of women are "very confident" in their ability to fully retire with a comfortable lifestyle.
  - 53 percent of women plan to retire after age 65 (40 percent) or not at all (13 percent).
  - Half (50 percent) plan to work after they retire.
  - Are women taking proactive steps to continue working past age 65? While 62 percent say they are staying healthy, only 54 percent are focused on performing well at their current job and 42 percent are keeping their job skills up to date.
  - Most women (64 percent) do not have a backup plan if forced into retirement sooner than expected.
  - 72 percent are saving for retirement through a workplace plan and/or outside of work in an Individual Retirement Account (IRA), mutual fund, bank account, etc. Women

started saving for retirement at age 28 (median).

- 47 percent expect their primary source of retirement income will be 401(k)/403(b) accounts/IRAs, and/or other savings and investments, while 27 percent expect to rely on Social Security.
  - 68 percent of women are offered a 401(k) or similar employee-funded retirement plan. However, 26 percent work part-time and are therefore less likely to have workplace retirement benefits.
  - 75 percent of women who are offered an employee-funded plan participate in the plan and contribute 6 percent (median) of their salary to the plan.
  - Women believe that they will need to save \$500,000 (median) in order to feel financially secure in retirement; among those who estimated their savings needs, 56 percent say they "guessed."
  - Women's total household retirement savings is \$34,000 (estimated median).
  - Women's emergency savings is just \$2,000 (estimated median).
  - 57 percent of women say that having access to information that is easier to understand would motivate them to learn more about retirement.
  - Only a quarter of women (25 percent) are aware of the Saver's Credit tax credit.
  - 38 percent of Baby Boomer women say they know a great deal or quite a bit about Social Security.
  - 82 percent of women are concerned that Social Security won't be there for them when they are ready to retire.
  - Women's number one retirement priority for the new President and Congress is fully funding Social Security by implementing reforms so that it can continue to pay future generations of retirees (59 percent).
- TCRS's report and fact sheet also offer eight action steps women can take to begin improving their retirement outlook. <http://bit.ly/2nX3iLo> ■

Women must begin taking greater control and gain an understanding of their true retirement outlook.

**CATHERINE COLLINSON,**  
**PRESIDENT OF TCRS**

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Each month we explore the advantages and intricacies of developing and growing a niche practice. This month we're examining what it takes to serve the niche of nonprofits.

## ACCOUNTANTS ON NONPROFIT BOARDS:

It almost seems like a no-brainer - every nonprofit organization ought to have an accountant on its board, overseeing the finances and providing intelligent and useful insights for those other board members who aren't trained to understand financial reporting. But beware! You need to provide your own oversight as well.

Make sure you are knowledgeable about the way nonprofit finances work, the expectations of the organization, and your ability to explain and challenge the financial reporting when necessary.

Boston-based KLR accounting firm provides some caveats in the firm's Mission Matters blog that you should consider before joining a nonprofit board or recommending that your nonprofit client add an accountant to its board. <https://www.kahnlitwin.com/blogs/mission-matters-blog/put-a-cpa-on-your-board>

## RESOURCES FOR THE NONPROFIT ACCOUNTANT

- Gaining governmental clients takes laser focus - [www.bit.ly/2uerzws](http://www.bit.ly/2uerzws)
- How to Help Your Not-For-Profit Clients - [www.bit.ly/2unS3w6](http://www.bit.ly/2unS3w6)
- eBook Helps Nonprofits Establish Trust - [www.bit.ly/2unS3w6](http://www.bit.ly/2unS3w6)
- Nonprofit Finance and Accounting Trends for 2017 - [www.bit.ly/2tjuAre](http://www.bit.ly/2tjuAre)
- Nonprofit Accounting Whitepaper: Eliminating Audit Anxiety - [www.bit.ly/2vhvmGg](http://www.bit.ly/2vhvmGg)
- Free Online Training for Nonprofit Pros - [www.nonprofitready.org](http://www.nonprofitready.org)

Sibi Thomas is a partner at Marks Paneth.

## Financial Basics for Nonprofit Boards

By Sibi Thomas

**MANY PEOPLE CONSIDER** a position on a nonprofit board a recognition of their financial contributions and other efforts to support the organization. But it goes well beyond that. One of the main fiduciary responsibilities of a board member is helping oversee the financial health and accountability of their organization.

This oversight needs to be done in an objective, responsible, honest and trustworthy way with board members acting in the best interest of the organization.

**Nonprofits succeed or fail based on how well they manage finances.**

As an accountant on a nonprofit board, you will be able to help board members ask the right questions and

understand the meaning of reports. Your insights will be precious to those whose job it is to oversee the organization.

**How can nonprofit board members fulfill their fiduciary role?**

■ **Collaborate...** At most nonprofits, the fiduciary responsibility of the board is accomplished through a collaborative effort between the board's finance

committee and the organization's management, typically consisting of the Executive Director and CFO.

■ **Establish a financial reporting framework** that will produce timely, accurate and easy to understand financial reporting about the organization's operations from management staff to the board. This will help the board be fully engaged in the organization's operations.

■ **Make sure the accounting system supports the reporting framework...** It should be able to generate basic financial statements and information, as listed below in step #4.

■ **Make the financial reporting content**

# BEST PRACTICES

By Sibi Thomas

**COOPER UNION IS** a NYC-based private college that was founded in 1859 with a mission to be "open and free to all." For over 150 years the school relied on its significant endowment to provide a tuition-free education to its students.

But in 2013 Cooper Union suddenly began charging its students \$20,000 a year. President Jamshed Bharucha said at the time that the charge was necessary for the institution to stay financially viable. *The New York Times* had reported the problem was decades in the making.

In 2015 NY Attorney General Eric Schneiderman began an investigation of Cooper Union, reportedly as a direct result of the failure of its board to manage its \$735 million endowment and physical assets properly.

The action also reflected a broader interest from the NY State Attorney General in "...working hard to prevent mismanagement before it starts and, whenever possible, get troubled charities back on track."

Schneiderman pointed out that for many years regulators have exercised

little scrutiny over nonprofits, likely based on the assumption of moral authority and goodwill about such organizations. The NY AG went on to warn that it's easy for well-meaning donors and paid nonprofit executives to become ill-informed managers, running their organizations into the ground.

In September of 2015 Scheiderman announced a comprehensive reform package to resolve the Cooper Union investigation and lawsuit, including a board restructuring, financial monitoring and transparency measure.

## LESSONS TO BE LEARNED FROM THE COOPER UNION DEBACLE

To avoid financial problems or the failure of a nonprofit, it is imperative to monitor the organization's financial health - by employing good corporate governance. Governance is defined as the process

of providing strategic leadership and exercising sound fiduciary oversight for an organization.

## NONPROFIT GOVERNANCE IS NO EASY TASK

To protect their financial health and viability, nonprofits should focus on the financial factors that can affect corporate integrity. As noted earlier, many of the recent bankruptcies and financial mishaps in the nonprofit sector can be attributed to a failure to properly monitor and manage fiscal resources.

The following guidelines will help nonprofits take a proactive approach to good governance.

## USE FINANCIAL DASHBOARDS FOR DECISION MAKING:

Most organizations produce monthly or quarterly financial statements that consist of a balance sheet, income statement and budget-to-actual expenditures report. But to the untrained eye, all these reports can be hard to decipher.

"Financial dashboards" can be

**relevant** - empowering board members to be inquisitive and able to judge the soundness of the financial statements. The organization's financial reporting should help them recognize warning signs of potential financial problems. Elements should include a statement of financial position (balance sheet); a statement of activities (income statement); and a cash flow statement. Another report should compare budgets vs. actual expenditures on a monthly, quarterly and annual basis.

■ **Ensure reporting accuracy with annual external audits...** Compare/reconcile internal financial reports with year-end audited financial statements certified by

an independent CPA.

■ **Seek timely financial reporting** that will deliver essential financial information to the board as quickly as possible, with relevant and complete financial data – delivered for each monthly board meeting.

■ **Create “Profit and Loss by Program” tools** that illustrate income and expenses for each major program.

■ **Offer training to help board members understand financial information...** Not every board member has a financial background, or knowledge of how to digest financial statements. Training will empower board members to ask relevant questions and hold

management accountable.

■ **Recruit board members who are financial professionals** to strengthen the board's ability to provide meaningful oversight. These may include accounting or finance professionals – such as certified public accountants (CPA) or certified financial analysts (CFA).

At the end of the day, every board member needs to be willing and able to ask relevant questions about the nonprofit's financial condition. They will need to understand basic financial terminology, and be able to read the various financial statements. Board members must be vigilant for signs of potential financial problems. ■

Smart questions nonprofit organization board members might ask could include:

- Do we have adequate cash-flow to meet our operating requirements?
- Is our financial reserve sufficient to weather potentially bad economic times in the future?
- Do we have a prudent investment strategy that delivers adequate returns vs. risk exposure?
- Are we monitoring actual vs. planned expenditures?
- Are there checks and balances in place to flag errors, prevent fraud and safeguard our finances against potential abuses?
- Are the receivables fully collectable? ■

## for Managing Nonprofit Finances

used by decision makers to analyze tailored financial information using graphs and visuals that are easier to understand. They keep everyone on the same page by presenting information in an easily digestible format. Consistent monitoring of dashboard metrics can help avoid unpleasant surprises.

Remember that better financial information leads to better financial decision making.

### UNDERSTAND YOUR LIQUIDITY AND AVAILABILITY OF RESOURCES

Liquidity is the term used to describe how easy it is to convert assets into cash. The liquidity scale then ranges from fairly-liquid assets like CDs or shares of stock, to illiquid assets like real estate, because it can take weeks or months to sell.

Liquidity ratios can be used to measure an organization's ability to meet its near-term financial obligations like rent, payroll, mortgage payments or payments against a line of credit. For example, the “current

ratio” is the proportion of current assets available to cover current liabilities. Availability of resources for general operating expenses is key when considering liquidity. The measure should be to assess “Liquid and Available” resources.

Bankrate.com offers a great current [ratio calculator](#) that compares current assets to current liabilities. This ration can give you the information you need to plan for covering upcoming payments.

It's a smart idea to benchmark your organization's financial health and liquidity ratios against your “peer group.” The financial statements for most New York state charities can be found on [www.charitiesnys.com](#).

### PAY CLOSE ATTENTION TO THE BALANCE SHEET

Nonprofit organizations tend to overlook the importance of the statement of financial position or “balance sheet” and focus instead on the “income statement” or “statement of activities” showing net income or

loss for each period reported.

The balance sheet measures the financial strength of an organization, while the income statement reports the profitability for one particular reporting period. For example, the income statement doesn't reflect when your accounts receivable will come in. You must also review line items on the balance sheet that need to be reassessed to determine whether they should be written off or written down.

The board should focus on the balance sheet and obtain periodic reporting on specific balance sheet items such as accounts receivable. Use an aging report to identify old receivables that may become uncollectible.

### PROVIDE ETHICAL LEADERSHIP BY EXAMPLE

The ethical environment that is created by the organization's board of directors and top management has a trickle-down effect. The tone set by the board and management should promote ethics, integrity, honesty and transparency by clearly commu-

nicating expectations and leading by example.

At a minimum, organizations should enforce their conflict-of-interest policy and communicate the code of ethics to employees. The board should conduct annual performance evaluations of its paid senior staff, including all its “C-Suite” executives.

### CONCLUSIONS

There is no single factor or “silver bullet” that a nonprofit can seek nor rely on to provide a comprehensive evaluation of the effectiveness of its governance policies. There are numerous elements on financial statements that need to be viewed in a holistic manner.

Comprehensive reporting, in an easy-to-understand format, will help board members and senior staffers better meet their fiduciary responsibility, and avoid costly (and potentially fatal) financial mistakes. ■

## Federal Government Increases Scrutiny of Employee Handbooks

UNDER THE ADMINISTRATION of President Donald J. Trump, employers may be able to anticipate many changes in the regulatory and legal environment. In particular, the National Labor Relations Board (NLRB), which had been very pro-union under Barack Obama, may shift its focus.

Just one example includes how federal regulators in recent years have increasingly scrutinized many parts of employee handbooks and found that they could be illegal under the National Labor Relations Act (NLRA). Consider a recent case involving T-Mobile USA, which had handbook provisions designed to maintain a professional work environment. According to one of the company's rules, "Employees are expected to maintain a positive work environment by communicating in a manner that is conducive to effective working relationships with internal and external cus-

tomers, clients, co-workers, and management."

In a ruling in April 2016, the NLRB struck down that provision, among others. In T-Mobile USA, Inc. and Communications Workers of America and Communications Workers of America Local 7011, AFL-CIO, the NLRB upheld a ruling by Administrative Law Judge (ALJ) Christine E. Dibble that found that rule, and several others, to be illegal. But the NLRB went even further than Dibble did, and ruled that other handbook provisions were too broad.

The ruling in T-Mobile has

represented part of a trend, where the NLRB has found that many rules could limit union activity—even when employers never intended them to have anything to do with unions or to restrict workers' rights. While that may change, any change could take some time. In the meanwhile, employers need to understand whether their handbook provisions, which are designed to minimize risk, could actually get them in more trouble.

### SECTION 7 RIGHTS

Congress enacted the NLRA in 1935 to "protect the rights of employees

and employers, to encourage collective bargaining, and to curtail certain private sector labor and management practices, which can harm the general welfare of workers, businesses and the U.S. economy." Specifically, under Section 7 of the NLRA, concerted activity such as the ability to discuss wages and working conditions is protected.

Under Section 7, employees are guaranteed "the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection," as well as the right "to refrain from any or all such activities." Section 8(a) (1) of the NLRA makes it an unfair labor practice for an employer "to interfere with, restrain, or coerce employees in the exercise of the rights guaranteed in Section 7."

In the T-Mobile decision, the board found that employees would "reasonably construe the rule to restrict potentially controversial or contentious communications and discussions, including those protected by Section 7 of the [NLRA], out of fear that the [employer] would deem them to be inconsistent with a 'positive work environment.'"



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CONTINUED ON PAGE 28

## Is Mandatory Partner Retirement Legal?

By Marc Rosenberg, CPA

Laws seem to be moving towards making mandatory retirement illegal due to age discrimination. Can CPA firms still safely provide for mandatory retirement in their partner agreements?

**Let's be clear what mandatory retirement means in practice.**

The extreme definition, used almost exclusively at giant firms, is that partners must retire cold-turkey, or close to it, upon reaching a mandatory retirement age.

For 95% of all firms below \$15M in revenue, mandatory retirement is not necessarily the age that a partner must stop working. Instead, the mandatory retirement age is the point where partners receive permission from the remaining partners to continue working, usually giving up their equity and frequently moving to part-time status. In my experience, in excess of 90% of partners at local firms opt to continue working past mandatory retirement age, which is almost always 65-66.

**How many CPA firms have mandatory retirement provisions?**

Per the **2016 Rosenberg Survey:**

- 88% of firms over \$20M have mandatory retirement policies
- 72% for firms \$10-20M
- 60% for firms \$2-10M

**Current status**

Federal law protects those over 40 from age discrimination. A recent Supreme Court case ruled that if partners assert control over their activities, and function like business owners (i.e., as employers), then they are exempt from age discrimination.

For CPA and law firms:

Many partners in huge firms function in substance, not form, more like an employee than a partner. These firms are at risk of age discrimination.

But in typical local firms, partners DO function in substance more as a partner than an employee.

The EEOC's interpretation is that there is no specific exemption from the age discrimination law just because one is a partner. Instead, the exemption is given to the extent that six factors are considered as evidence of partners' ability to assert control over their role in the firm and their work, as cited in the Supreme Court's Clackamas decision of 2003.

The case indicates that the 6 factors below generally will evidence that a partners is an employer, not an employee. The Court did NOT state that all 6 must be present, instead stating that no one factor will be decisive.

- The firm cannot fire partners or set rules for their work.
- The partner's work is NOT supervised by others.
- The partner does NOT report to someone higher.
- The partner can influence the firm, presumably by attending partner meetings and having a vote. Note: the presence of an Executive Committee making some or all firm decisions along with the MP will tend to favor partners being employees in this area.
- There are NO written agreements stating that the firm will treat the partner as an employee.
- The partner shares in profits, losses and liabilities.

Partners with the vast majority of all non-national firms will pass this test. It is highly probable that most non-equity partners cannot pass the above test.

The EEOC in recent years has taken action against mega-CPA and law firms, including Winston & Strawn, Sidley & Austin, Deloitte and PwC. Sidley paid \$27.5M to settle an EEOC suite brought on behalf of 32 ex-partners who fell under its mandatory retirement policy. Between settlements and appeals, it is difficult to tell if the EEOC will be successful in its efforts to abolish mandatory retirement, especially at large firms.

- There have been at least two cases involving small law firms (4 partners) where the firms' mandatory retirement policy was upheld.
- There is a 2016 class-action lawsuit currently open against PwC by present or former partners of that firm who feel the firm's mandatory retirement policy is illegal.

I have been advised by two attorneys who work extensively with CPA firms that, as a practical matter, typical local firms have little to worry about, mainly because their partners DO pass the Clackamas test. Also, it appears that the EEOC is only going after the mega-firms. ■

*Marc Rosenberg is a nationally known consultant, author and speaker on CPA firm management, strategy and partner issues. The Rosenberg Associates.*

### THIS MONTH'S TOP FIRM MANAGEMENT SOCIAL MEDIA POSTS

- How Savvy CPAs Use Benchmarking. Rick Telberg via LinkedIn: <http://bit.ly/2uj9Y2U>
- Social Media Marketing and Branding Strategies for Accounting Firms. Seth David at Firm of the Future blog: <http://bit.ly/2sitGzv>
- As Sustainability Takes Root, Finance Takes Notice. Kristen Sullivan at WSJ.com: <http://bit.ly/2t1Dgnh>
- Accountants Have Bizarre Habits. Rob Nixon at CPA Trendlines. <http://bit.ly/2s2z31G>
- 3 Ways to Improve Sales Skills in Accounting Firms. Scott Cytron via LinkedIn: <http://bit.ly/2tlYkak>

## LATEST FIRM MANAGEMENT NEWS

**Public Company CPAs Alliance Formed.** PCA members focus primarily on serving the small and middle market public companies that often are underserved by the large national accounting firms. <http://cpapracticeadvisor.com/12347446>

**How to Build a Successful Curriculum in Your Firm.** The ultimate goal, of course, is to develop a personalized, multi-year growth plan for your staff. <http://cpapracticeadvisor.com/12346846>

**Accounting Scholarship Winners Announced.** Thirty students have earned scholarships from the National Society of Accountants (NSA) Scholarship Foundation. <http://cpapracticeadvisor.com/12345756>

**Initiative Launched to Spur Innovation in the Accounting Profession.** The AICPA and CPA.com are jointly sponsoring an initiative to

accelerate the growth of early-stage companies. <http://cpapracticeadvisor.com/12343861>

**How Accounting Firms Can Turn Leads into Clients.** There was a time when business was simple. A great lead would come from an acquaintance or event and soon that great lead would become a great client.

<http://cpapracticeadvisor.com/12344441>

## The Power of Female Networks

WHEN LOOKING AT your priorities, both at home and at work, networking likely falls somewhere near the bottom of the list. Time spent on career development is also time that could be spent with loved ones. But if you can spend just 10% of your week networking, you'll be amazed at how much of a difference this time cultivating relationships can make in your career. Whether it be sending an email to an old colleague to check in on how they're doing or getting some time on the calendar with a firm partner, every little bit counts.

### THE OPPORTUNITIES ARE ENDLESS

There are many women's networking groups out there that you can get involved in. Even beyond your

about the areas of the firm that they may not have been exposed to before, covering topics such as: how to effectively sell, get a board position as a woman and the secrets

ships. She is an example of someone who, for a long time, has promoted the success of female accountants in the industry; ensuring there is a spotlight on our progress and what we can still do to help each other. Our networking relationship has culminated in this column, where we are able to provide guidance on important topics for women in the industry so they can be more successful.

Another example of a firm that has been working to create an environment to develop these relationships internally was highlighted in this year's Accounting MOVE project. Nebraska firm, Bland & Associates, was noted for its approach to training partner-track employees. Aside from training around leadership, practice management, sales and business development, the firm focuses on helping future leaders build a network with future partners of other firms as well. The ability to build friendships with people outside your firm who you can relate to and work through shared struggles with is another way of building a powerful female network.

### LOOK OUTSIDE YOUR PROFESSIONAL CIRCLE

I've been fortunate to have had the same two best friends since I was a kid. From our younger years passing notes in school, to discussing more important things such as the



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goals we set for ourselves in our careers and balancing our families. Although we have different careers, we've been on parallel paths and have been there to support each other all through our lives. There isn't a moment throughout my career that I have not doubted myself and wondered if I was doing everything I needed in every facet of my life, but luckily for me, my girlfriends are on this adventure with me and we are there to pick each other up when we need it and provide referrals to experts we know when a need arises.

Together, women can achieve anything, and much more when we help each other, rather than siloing ourselves. Take the first steps in reaching out to the people you work with, start forging these important relationships so you are there to support each other in your careers as each of you need it. Determine early on in the networking relationship what the give and take will be and how you can help each other. Meet regularly, not just once, so you are top of mind and understand the issues each of you are facing and how you may be able to help each other. Create a network outside of work as well, either in the ways described or by creating your own networking group. Leverage your networks in order to thrive in your career and experience the satisfaction of helping other women achieve their dreams as well. ■



state CPA society, there are a plethora of ways to network with other women in the profession. You can try websites like Meetup.com for a broader search engine for networking groups or Ellevest for women-only groups. The number of professional groups out there that help women navigate the unwritten rules of the profession is ever-increasing. I was recently at the CalCPA Women's Leadership Forum, where they were teaching female accounting professionals

that only men are generally privy to in firms. This is an example of how you can get out there, get involved and learn the things you need to get ahead by sharing information, together.

There are plenty of women out there trying to help other women succeed. By seeking them out and staying connected, you can create those mutually beneficial relationships. My friendship with Gail Perry, editor-in-chief of *CPA Practice Advisor* is one of those important relation-

# Small Businesses Save Time and Money with Intuit and Bill.com Digital Bill Pay Integration

**PAYING BILLS CAN** be a real pain point for small businesses, whether they're the payee or payer. Intuit has been hard at work helping small businesses get paid faster, but what about all of the bills that get manually paid and then manually recorded back into QuickBooks Online? Bill.com and QuickBooks have come together to launch Bill Pay for QuickBooks, a deeper integration that makes it easier for users to pay their bills online and have a clearer picture of their bottom line.

"The integration with QuickBooks Online and Bill.com helps small business owners know what's safe to spend," said Gretchen Salyer, director strategic partnerships, Small Business Group, Intuit. "When their bills are tucked away in a box or filing cabinet waiting to be paid, they don't have an accurate picture of their cash flow, not to mention the risk of overdue bills and manual entry errors. This integration embeds bill pay into the QuickBooks Online workflow and automatically reconciles their data, saving users time and providing a clearer picture of their current cash flow."

Previously, users had to manually enter bills into QuickBooks Online, pay them outside of the solution and later manually record them as paid within QuickBooks Online. Embedding Bill.com's bill pay functionality directly into QuickBooks Online alleviates manual entry and reduces chances of error, as transaction data is automatically entered into QuickBooks Online. The integration will save small businesses 50 percent of their time spent paying bills.

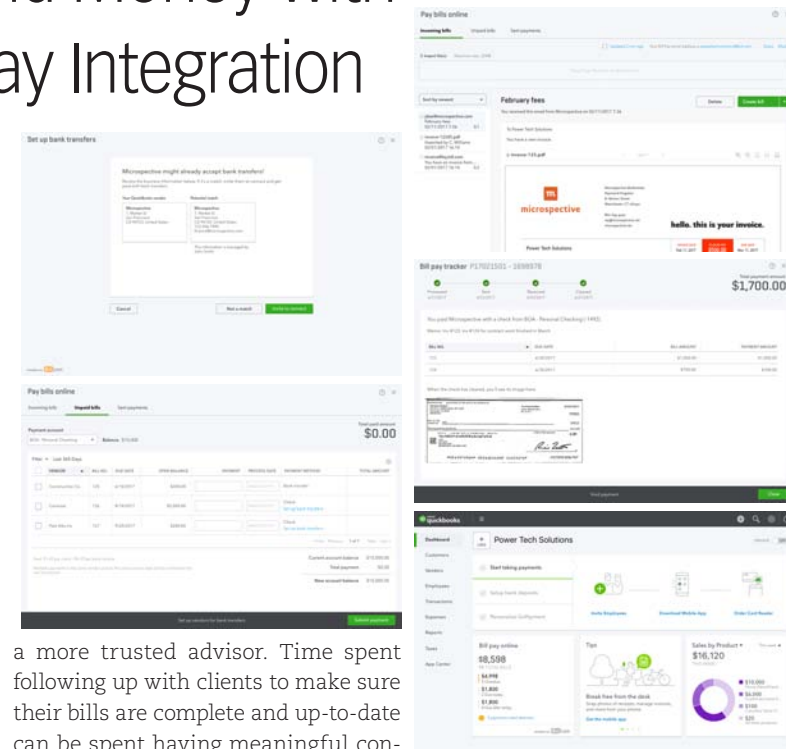
"Prior to this integration, our customers couldn't pay their bills electronically through QuickBooks Online," said Salyer. "That's 30 million bills that are manually entered every month that customers have to then manually track and mark as paid. Because of this, small business owners and their

accountants can never be 100 percent sure if outstanding bills are truly unpaid or just haven't been entered as paid yet."

As part of the new integration, QuickBooks Online users will get a real-time view of their business to see the status of bills – pending, outstanding or paid. Vendors will also be able to send bills directly to QuickBooks Online, where small businesses can then view the invoice and pay online. Other features to be rolled out include a paperless inbox invoice, dashboard widget and a more complete overview of their business' overall health and cash flow, allowing users to see the status of their bills right from the QuickBooks Online dashboard.

"Our integration with Bill.com is the perfect textbook example of how we want to work with third-party apps and we are really excited about how our partnership is shaping up," said Salyer. "As a leader in electronic accounts receivables and accounts payables, Bill.com is really focused on customers and solving their key pain points. We worked closely with them to identify how this integration should work to make it foolproof for our customers."

Bill Pay for QuickBooks Online offers significant benefits for accountants as well. Because this integration will provide a more accurate view of their clients' cash flow, it will allow accounting professionals the ability to become



a more trusted advisor. Time spent following up with clients to make sure their bills are complete and up-to-date can be spent having meaningful conversations on topics such as the best ways to invest available cash flow. This empowers accounting professionals to be true partners to their clients.

"We know that we can't build everything ourselves, so we want to partner with the best solutions out there to solve the most important pain points for our small business and accountant customers," said Salyer. "The developers that are the most successful align with our strategy, understand the customers we jointly want to serve and innovate around the integrations that actually benefit users."

The integration was first rolled out to a select group of customers in January. Since then, more than \$7 million in payments have been processed through the digital bill pay integration. All QuickBooks Online users can now sign up for a free 30-day trial at apps.intuit.com/billpayqbo. After the trial, users can continue to access Bill.com bill pay service directly through QuickBooks Online for \$9.99 per month plus transaction fees. ■

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## How to Find the Right Job Candidates and Avoid Failed Hires

**HIRING PEOPLE IS hard work.** It can already be a long process, and then you need to onboard and train your new employees. Where finding star performers is a rewarding experience that makes hiring challenges seem smaller, having to replace someone who doesn't work out or leaves after a few weeks is a highly frustrating — and expensive — experience.

To look at the costs of bad hiring decisions, a recent Robert Half study surveyed managers at small to midsize firms. Respondents said they waste an average of 45 hours to hire and onboard an employee who later doesn't work out. The majority also reported increased stress for employees who worked with the bad hire.

Firms can't afford that much downtime and the costs that come with it. In the meantime, understaffing means a bigger workload for existing employees — increasing stress, reducing morale and hurting productivity. Dodge this ugly scenario by getting smarter about the recruitment process.

### 1. Spot serial underperformers.

Your top candidate has a brilliant resume and aced the interview. But

soon after he starts the job, you notice troubling behavior — sloppy work, questionable ethics, frequent absences and more.

*Hiring tip:* During interviews, ask behavioral questions that touch on what the person has done — or would do — in specific situations. When conducting reference checks, listen for what's not said as much as what is said. Many managers don't love checking references, but don't skip this important step.

### 2. Seek the requisite skill set.

According to a Robert Half study of CFOs, a mismatched skill set is the top factor that leads to a failed hire. A mistake to avoid is recycling the job description from the last time you hired for the position instead of creating an updated one.

*Hiring tip:* Increase your chances

of hiring success by writing a strong job description. List the expectations and essential duties, followed by must-have technical and nontechnical skills and minimum years of experience. As part of the process, determine the abilities that are must-haves and the nice-to-haves you can build through training.

**3. Set crystal clear expectations.** A candidate wows you with all the requisite plus your preferred skills, but shortly after her first day, it's clear she's overwhelmed by the job. Or the opposite happens: She grows bored with the work.

*Hiring tip:* Be upfront about the role. In the job title, description, posting and interview, make it clear if the position is a staff-, senior- or management-level role. The ideal

candidate should be pleasantly challenged by the job, but not so much that she becomes frustrated by the learning curve.

Also highlight other aspects, such as whether new hires would be working independently or as part of a team, and how much self-initiative is required. When an employee starts the job, set clear metrics for performance so she knows exactly which targets she needs to hit.

**4. Check for culture fit.** When members of a team don't get along, managers spend valuable time playing referee and mediator. CFOs interviewed for a recent Accountemps survey reported they spend almost one day a week resolving staff conflicts. New hires are likely to fail if they have issues with other people, especially direct supervisors.

*Hiring tip:* Naturally, the manager will be actively involved during the recruitment process. But also include other team members in the decision. How do they expect a candidate to fit in at the firm? Do they see any red flags? To help ensure a strong fit, consider interim-to-hire arrangements. This way, everyone gets to observe a potential full-time employee in real time.

Hiring is one of the most consequential responsibilities employers have. When you get it right the first time, you won't have to spend valuable time and effort for a second round anytime soon. ■





# Most Businesses Will Increase Cloud Computing Spending in 2017

By Isaac M. O'Bannon, Managing Editor

Businesses have become less skeptical of cloud computing, more confident in its security, and more inclined to invest money in it, according to new findings. Nearly 70% of U.S. businesses surveyed by B2B ratings and reviews firm Clutch say that they plan to increase spending on cloud computing in 2017. One in five of those businesses report that their cloud computing spending this year will likely increase by more than 30%.

The increased spending on cloud computing is likely due to a shift in perspective, according to experts. The cloud is no longer seen by many businesses as simply an alternative option, but as the next logical step for data storage and management.

"Cloud is the new normal," said Jeremy Przygode, CEO of Stratalux, Inc., a California-based Managed Service Provider (MSP). "When businesses need to evaluate new solutions, or need to do a hardware refresh on existing solutions... Cloud is the go-to solution to figure out how to do that."

Businesses also report having greater confidence in cloud security, possibly influencing more migration to the cloud. In the survey, the largest percentage of businesses identify security as a benefit of using the cloud.

This attitude is a shift from past years, when cloud security was often treated with skepticism and distrust.

When it comes to which type of cloud to use, most businesses are using a private cloud, where services and infrastructure are maintained on a private network. However, over 80% indicate that they are considering implementing or planning to implement a hybrid cloud option in the future. A hybrid cloud has services and

infrastructure spread between a private network and off-site cloud provider.

A hybrid cloud offers flexibility and customizable features.

"Customizing your cloud experience allows the customer to leverage different toolsets that are truly drilled down to their department, their individuals, and how they do business," said Kevin Rubin, president and COO of Stratosphere Networks, a Chicago-based IT MSP.

Experts emphasize, however, that a business should select an option that best fits its particular needs.

Once the decision is made to adopt cloud computing, many businesses seek outside help for the subsequent installation. Over half of businesses surveyed (57%) say they hire an external consulting firm to help them implement their cloud strategy.

This is a wise decision, especially if a business does not have internal expertise, says Hareesh Kumbhani, founder and CEO of Zymr, Inc., a San Francisco-based cloud consulting and agile software development agency. He believes that no business will have all the expertise required.

"The idea of bringing experts in different dimensions, from strategy to implementation, delivery and security, surveillance and so on, is essential for making purchase and implementation decisions," he said.

The Clutch survey included 283 IT professionals at businesses across the United States that use a cloud computing service. Of those businesses, 58% had 11-1,000 employees, while 42% had 1,001+ employees.

Read the full report here: <https://clutch.co/cloud/resources/annual-cloud-computing-survey-2017>

A hybrid cloud offers flexibility and customizable features.

## THIS MONTH'S TOP SMALL BUSINESS SOCIAL MEDIA POSTS

- 5 Things Nonprofits Should Be Doing on Social Media. **Craig Newmark** via **LinkedIn**: <http://bit.ly/2tYW2vR>
- How to Boost Your Small Business Credit Score. **Sunmark FCU** **blog**: <http://bit.ly/2t1XsWq>
- How to Minimize Damage from Ransomware Attacks. **Alex Salkever** via **LinkedIn**: <http://bit.ly/2tVpOR>
- How to Finance an Expanding Business with the SBA. **SBA** **blog**: <http://bit.ly/2aWVXBj>
- 8 Successful Content Marketing Tips. **Anuja Lath** via **LinkedIn**: <http://bit.ly/2s2Wnfg>

## LATEST SMALL BUSINESS NEWS

**Business Execs Expect Corporate Tax Reform in 2017 or 2018.** 36% of May 2017 respondents believing statutory language will be released in September or October 2017. <http://cpapracticeadvisor.com/12346029>

**IRS Website Offers Small Business Employment Tools.** Federal law requires most employers to withhold federal taxes from their employees' wages. <http://cpapracticeadvisor.com/12346356>

**New Cashflow Solution Helps Small Businesses.** CashSage allows business owners to see quickly how to increase available cash. <http://cpapracticeadvisor.com/12347197>

**4 Mistakes that Can Kill a Brand.** Too often, brands get into trouble due to the self-inflicted actions of their owners. <http://cpapracticeadvisor.com/12343552>

**Federal Reserve Raises Key Interest Rate.** Fed officials also announced that they intend this year to begin reducing the \$4.5 trillion in securities and other assets the central bank holds. <http://cpapracticeadvisor.com/12344124>

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# AICPA NEWS

## AICPA Applauds Passage of Mobile Workforce State Income Tax Act

The American Institute of CPAs (AICPA) applauded the U.S. House of Representatives for passing the Mobile Workforce State Income Tax Simplification Act of 2017, H.R. 1393. The bill would simplify state income tax reporting and withholding rules for employees who sometimes work outside their home states.

"The House's passage of the Mobile Workforce State Income Tax Simplification Act of 2017 is a victory for taxpayers and their employers," Barry C. Melancon, CPA, CGMA, president and CEO of the AICPA, stated. "Enactment of H.R. 1393 would eliminate the need for much of the

complex recordkeeping that employers face when their employees cross state lines to work. It also would relieve many workers of the burden of filing state income tax returns for states in which they worked only a few days during the year."

Melancon explained that the legislation would create a uniform national standard that would eliminate the compliance maze many employers and employees currently face because they have to keep track of numerous state income tax withholding laws and varying de minimis exemption periods imposed on nonresident workers. Employee earnings would not be subject to

state income tax and withholding outside their home state unless the employee worked in a state for more than 30 days during the calendar year.

However, Melancon noted that under H.R. 1393 notable individuals, such as professional athletes, professional entertainers and public figures, do not qualify for the 30-day de minimis exemption. They would still have to pay tax to the state where they are appearing. Non-headline performers, including dancers and musicians, would be covered by the 30-day national standard.

## Small Businesses Need Tax Cut, Says AICPA

Annette Nellen, CPA, CGMA, Esq., chair of the American Institute of CPAs' (AICPA) Tax Executive Committee, testified recently about the effect of various tax reform proposals on America's small business owner-operators at a hearing titled Tax Reform: Removing Barriers to Small Business Growth, which was conducted by the Senate Committee on Small Business and Entrepreneurship.

"First, tax relief should not mean a rate reduction for C corporations only," Nellen testified. "Congress should continue to encourage, or at least not discourage, the formation of sole proprietorships and pass-through entities. If Congress decides

to lower corporate income tax rates, small businesses should receive a lower tax rate as well," she said.

A reduced tax rate for income of small businesses would place additional pressure on the need to distinguish between profits of the business and compensation of the owner-operators, Nellen noted. "We should continue to use traditional definitions of 'reasonable compensation' for this purpose," she said. "Partnerships and sole proprietorships should be required to charge reasonable compensation. We should not treat partners and proprietors as 'employees,' but rather as owner-operators whose labor is subject to appropriate withholding

taxes."

Nellen emphasized that no new limits on the use of the cash method of accounting should be imposed. "The cash method is simpler in application, has fewer compliance costs, and does not require taxpayers to pay tax before receiving their income, which is why entrepreneurs often choose this method," she testified. "Forcing more businesses to use the accrual method, unnecessarily discourages business growth, increases compliance costs and imposes financial hardship on cash-strapped businesses."

## Initiative Launched to Spur Innovation in Accounting Profession

The AICPA and CPA.com are jointly sponsoring an initiative to accelerate the growth of early-stage companies that could have significant impact on the accounting profession. The goal is to promote innovation and give the profession early insight into disruptive technologies and services in finance and business.

The Association of International Certified Professional Accountants and CPA.com Startup Accelerator will look to support up to five early-stage companies over the next year. It will focus on startups in two key areas: 1) Technology and Financial Information, which could include advances in artificial intelligence, automation of routine tasks, and the application of blockchain/digital ledgers, and 2) Professional Competency

Innovation, which can encompass machine learning to personalize professional education, collaboration tools for mentors and experts, and improvements in measuring professional competency, among other categories.

"The Association and CPA.com have a deep base of knowledge and resources to offer entrepreneurs looking to find a foothold in the accounting ecosystem," said Lawson Carmichael, the Association's executive vice president for strategy, people and innovation. "And for us, the startup accelerator offers a chance to 'see around corners' and take a more long-range view of opportunities in business transformation and innovation. There's a compelling business case for collaboration."

## 63% of CFOs Expect Growth in Coming Year

By Isaac M. O'Bannon, Managing Editor

Chief financial officers at U.S. companies may be voicing concern about political and policy uncertainty, but their focus on offense over defense for the next year hit a new high and shows their underlying confidence, according to Deloitte's CFO Signals survey for the second quarter (2Q 2017).

Sixty-three percent of CFOs surveyed say they expect revenue growth, one of the highest levels in the survey's history, and only 18 percent claim a bias toward cost reduction, for a survey-high net value of plus 45 percent. The bias toward investing cash over returning it to shareholders (62 percent versus 16 percent) hit another three-year high at a net plus 46 percent. CFOs also remain positive on the U.S. economy, with 65 percent saying current conditions are good and 58 percent expecting better conditions in a year.

"Last quarter's CFO Signals survey registered the sharpest uptick in sentiment in its seven-year history, and the global economy has continued to show strength since. As a result, CFOs continue to be strongly optimistic," said Sandy Cockrell III, national managing partner of the U.S. CFO Program, Deloitte LLP. "However, our survey also picked up a growing concern from CFOs about political and policy uncertainty, as well as talent shortages, all figuring among their most worrisome risks."

All four business outlook metrics, tracked by this survey for 29 quarters, remain strong. Revenue growth expectations rose from 4.3 percent last quarter to 5.6 percent, above the prior two-year survey average. Earnings growth expectations rose to 8.7 percent from last quarter's 7.3 percent, a two-year high. Capital investment growth expectations fell to 9 percent this quarter from last quarter's 10.5 percent, but still sit at their second-highest level in five years. Domestic hiring expectations held steady quarter-over-quarter at 2.1 percent. Net optimism declined from last quarter's survey-high at plus 50 to plus 44 percentage points — the second-highest level in four years — with nearly 55 percent of CFOs expressing rising optimism and 11 percent citing declining optimism.

"The positive investment outlook expressed by the CFOs

is welcome, particularly since low productivity is one of the biggest economic issues facing the U.S. economy," said Patricia Buckley, managing director, economic policy and analysis, Deloitte Services LP.

Almost seven years ago, CFOs were asked how they stay informed, and this quarter CFOs again answered questions about where they find information on macroeconomics, geopolitics, policy, financial markets, industry trends and management trends. Highlights of CFO responses include:

- CFOs appear to be spending considerably more time staying abreast of global economic and policy developments than they used to, and also seem to be relying substantially on their own research. Notably, less than 25 percent say they have an on-staff economist.

- Major global news outlets are still CFOs' primary sources of broad-based information, but there appears to be a rising reliance on subject matter specialists for deeper, industry-specific insight — especially consortia, professional services firms, bank analysts, and individual thought leaders.

- The channels by which CFOs consume daily news — including websites, newsletters, TV and printed dailies — appear highly varied, and preferences appear to be significantly different by age. Device use also varies by age, but laptops were still the top device overall. Although social media use was indeed highest among younger CFOs, the age-related differences were not particularly strong.

"CFOs have been citing volatility in the business environment as a growing challenge for several years now, and this quarter's findings seem to show they are spending considerable effort staying abreast of what's happening — across a very broad range of areas," said Greg Dickinson, managing director, Deloitte LLP, who leads the North American CFO Signals survey. "Some appear to get significant help from internal and external resources who focus on particular areas, but it also appears they are doing a lot of research on their own. ■"

### THIS MONTH'S TOP A&A SOCIAL MEDIA POSTS

- Are You Ready for New Nonprofit Liquidity Requirements? From the **AICPA Insights blog**: <http://bit.ly/2tjhY7v>
- Managing Schedule C Clients from QuickBooks Online Accountant. From the **Intuit Firm of the Future blog**: [www.firmofthefuture.com](http://www.firmofthefuture.com)
- Accounting, CPAs and Blockchain. **Eric Johnson via LinkedIn**: <http://bit.ly/2s0gTxn>
- Controlling the Future of Revenue Recognition. From the **Bloomberg BNA blog**: <http://bit.ly/2sPMTan>
- How CFOs Can Get Their Groove Back. **Daphne Kis via LinkedIn**: <http://bit.ly/2qplY1N>

## LATEST A & A NEWS

**FASB Proposes Changes to Consolidation Guidance.** The change is intended to reduce the cost and complexity of financial reporting associated with consolidation of variable interest entities (VIEs). <http://cpapracticeadvisor.com/12347699>

**National Society of Accountants to Hold Convention in Reno.** The annual convention will be held Aug. 21-24, 2017, at the Nugget Casino Resort. <http://cpapracticeadvisor.com/12347503>

**Businesses Expect New Challenges on Lease Accounting.** The new lease accounting standard will bring onto the balance sheet operating leases for assets such as real estate, transportation and IT. <http://cpapracticeadvisor.com/12347490>

**Unraveling the Late Payment Challenge Through Automation.** Late payments have a negative knock-on effect on partners and their operations. <http://cpapracticeadvisor.com/12345615>

**6 Ways Paying by Check Can Hurt a Business.** Even though the use of paper checks for business payments has been slowly declining, most U.S. companies are still using them for 50 percent or more of their vendor payments. <http://cpapracticeadvisor.com/12342608>

CONTINUED FROM PAGE 20

## RECENT CASES

The NLRB has been weighing in on handbook provisions in a variety of ways. In 2015, the NLRB general counsel issued the “Report of the General Counsel Concerning Employment Rules.” The report targeted changing issues, new social media and the NLRB’s interpretation of protected activities, including a focus on handbook policies.

Along with the T-Mobile ruling, in April 2016 U.S. Administrative Law Judge David I. Goldman struck down several handbook provisions of Quicken Loans Inc., Fathead LLC and four other companies. Goldman found that many rules in the so-called “Big Book” were so broad that they could reasonably be interpreted as interfering with NLRA rights. Some of the troublesome rules read: “If it doesn’t belong on the front page of *The New York Times*, don’t put it online” and “Something wrong at QL? Don’t take it online. Resolve work-related concerns by speaking directly with your team

leader or team relations specialist.”

According to the ruling, “The elephant in the middle of the room, so to speak, is not some idle comment by a supervisor or memo once distributed by a rogue midlevel supervisor. The issues emanate from an employee manual compiled, created and distributed by the respondents. It purports to be an official manual of rules that employees are to follow.”

Following the judge’s decision, the companies sent an email to employees that rescinded several versions of the “Big Book,” according to the decision.

The NLRB has also begun to look carefully at confidentiality agreements in handbooks, finding that some may infringe on Section 7. In a June 2016 ruling, the NLRB found that Schwan’s Home Service, Inc.’s handbook provisions violated Section 7 by banning employees from using “confidential information” that benefitted employees or third parties, or would be detrimental to the company. Confidential information included salaries,

commissions, performance or the identity of employees. The NLRB found that employees would reasonably interpret the agreement to stop them from discussing terms and conditions of employment.

## WHAT EMPLOYERS NEED TO DO NEXT

Under Pres. Trump, the pendulum may swing back to being more business-friendly. However, any shift is likely to come slowly and incrementally.

One consideration is the makeup of the board of the NLRB. At full strength, the NLRB has five members who serve five-year terms, with one member’s term expiring every year. The president appoints board members, who are confirmed by the U.S. Senate. However, Obama’s choices of NLRB appointments have been controversial, to say the least. In 2014, the U.S. Supreme Court, in a unanimous ruling in *Noel Canning v. NLRB*, found that Obama’s January 2012 recess appointments of three NLRB members were unconstitutional.

Currently there are only three members on the board—Democrats Mark G. Pearce and Lauren McFerran and Republican Philip A. Miscimarra. That means Pres. Trump will have the opportunity to appoint two members.

Until the political and regulatory situation becomes clearer, employers should assume that the NLRB will continue its current enforcement emphasis. There are several steps employers should take:

### ■ Thoroughly Review Current Policies

Companies should take a close look at their current handbook rules, with an eye toward whether they could possibly infringe on Section 7 rights. Provisions may not have anything to do with union activity. In fact, companies may not

even be unionized. But even non-union employers must abide by the NLRA.

Experienced HR staff and knowledgeable legal counsel should be a critical part of the team that reviews the handbook and suggests any changes. Legal advice will be particularly important as companies try to develop policies that protect employees from harassment, while not violating the NLRA.

### ■ Be Specific

Language that is too vague or broad can get companies in trouble. As T-Mobile found out, even words about creating a “positive” work environment may not pass muster. While employers may only want to create a professional workplace, the federal government may decide rules could translate into bans on protected activity.

When it comes to confidentiality agreements, handbook rules should stress that it’s acceptable to discuss wages and other working conditions with fellow employees. If an employee claims to be discussing confidential information as a whistleblower, companies need to proceed particularly carefully. Some government regulations, such as the Sarbanes-Oxley Act requires employees to report illegal activity. HR and legal counsel should become involved immediately if there is a possibility that whistleblower allegations could be raised.

With Donald Trump in the White House and the Republicans in control of Congress, the NLRB may take a more business-friendly approach in the future. But in the meantime, employers need to continue to make sure that nothing in their handbooks could possibly be interpreted as violating Section 7 rights and possibly be viewed as anti-union. ■

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# New Tax Scam Plugs Into Electronic Fears

By Ken Berry, J.D., Tax Correspondent

Now scammers are trying to scare taxpayers by thinking their payments to them will be linked to the Electronic Federal Tax Payment System (EFTPS).

The IRS is alerting the public about the latest tax scam making the rounds (IR-2017-107, 6/15/17). In this one, the caller claims to be from the IRS and tells the target that they were sent two certified letters that were returned “undeliverable.” Then the con artist threatens to arrest the taxpayer if payment is not made immediately through a prepaid debit card. The scammer also tells the victim that the card is connected to the EFTPS, but in fact it’s controlled entirely by the scammer

In addition, the victim is warned not to contact their tax preparer, an attorney or their local IRS office until payment has been made. And this ruse is working.

“This is a new twist to an old scam,” said IRS Commissioner John Koskinen. “Just because tax season is over, scams and schemes do not take the summer off. People should stay vigilant against IRS impersonation scams. People should remember that the first contact they receive from IRS will not be through a random, threatening phone call.”

The EFTPS is an automated system for paying federal taxes electronically using the Internet or by phone using the EFTPS Voice Response System. It’s offered for free by the Treasury Department and doesn’t require users to purchase a prepaid debit card. Since EFTPS is an automated system, taxpayers won’t receive



a call from the IRS about this. What’s more, there are several options for paying your tax bill – not just one.

In the news release, the IRS reminds taxpayers that the nation’s tax collection agency (or its authorized private collection firms) will never:

- Call to demand immediate payment using a specific payment method such as a prepaid debit card, gift card or wire transfer. The IRS does not use these methods for tax payments. Generally, the IRS will first mail a bill to any taxpayer who owes taxes. All tax payments should only be made payable to the U.S. Treasury Department and checks should not be made payable to third parties.
- Threaten to immediately bring in local police or other law enforcement groups to have the taxpayer arrested for not paying.
- Demand that taxes be paid without giving the taxpayer the opportunity to question or appeal the amount owed.
- Ask for credit or debit card numbers over the phone.

Tell your clients, whether they owe taxes or not, to hang up on bogus callers immediately. Then they should report the information to the IRS on its IRS

Impersonation Scam Reporting web page or call the 800-366-4484.

This new scheme appears to be targeted to victims who may not be comfortable with new technology such as elderly individuals. As a result, you might reach out to clients who are retirees to keep them up-to-date. Also, remind all your clients that they should not hesitate to call you with any concerns.

## THIS MONTH'S TOP TAX SOCIAL MEDIA POSTS

- IRS Loses \$175 Million Class Action Lawsuit. Kelly Phillips Erb at Forbes: <http://bit.ly/2tINSJA>
- 5 Tax Saving Tips for Business Owners. Paul Pagnato via LinkedIn: <http://bit.ly/2tZeHro>
- A Tsunami of Corporate Tax Data is Coming Ashore. Deborah Solomon via LinkedIn: <http://bit.ly/2tISKov>
- Summer Doesn't Mean Scammers Take Time Off. Ian Gardner via LinkedIn: <http://bit.ly/2tZfsAH>
- Tax Issues for Those Renting Homes on Airbnb or VRBO. Stephen Fishman on the Nolo blog: <http://bit.ly/2s2RyCW>

## LATEST TAX NEWS

**AICPA Applauds Passage of Mobile Workforce State Income Tax Act.** The bill would simplify state tax rules for employees who sometimes work outside their home states.

<http://cpapracticeadvisor.com/12345868>

**Phishing Scam Targets Income Tax Pros.**

The email’s origin is unknown but likely issued by cybercriminals who could be operating from the U.S. or abroad.

<http://cpapracticeadvisor.com/12346808>

**Corporate Income Tax E-Commerce Special Report.** Study examines which states impose corporate taxes on out-of-state companies that sell purely digital products and services.

<http://cpapracticeadvisor.com/12346027>

**New eBook: Customs Duty & Import Tax for Dummies.** Book helps business owners and their accounting professionals better understand the challenges and benefits of cross-border selling.

<http://cpapracticeadvisor.com/12345739>

**Tax-Exempt Does Not Mean Exempt from Filing Tax Returns.** Many nonprofits mistakenly believe that they are not required to file returns with the IRS, particularly if they have minimal gross receipts or no net income.

<http://cpapracticeadvisor.com/12344111>

## Are You Focused on the Right Things?

WE'RE MIDWAY THROUGH 2017. How are you coming along with the goals you set at the beginning of the year? Do you still have a positive outlook for what lies ahead? Almost before we know it, fall deadlines will be here, then year end, then many of you will be diving head first into another busy tax season. Before you get too buried, I challenge you to take a moment to take stock of what you've accomplished so far this year and make plans to finish 2017 on a high note. I'd also like to share a simple exercise called Start-Stop-Continue to get you focused on what you should be doing and, just as important, not doing to support you and your team's goals for the rest of the year and beyond.

You can do this on your own or in a group, but it's most powerful when you include key members of your team. Each person answers the following questions for themselves and each other:

■ **Start** - What is the one thing that you or the other person should START doing? This will highlight where talents are not being utilized to the full potential.

■ **Stop** - What is the one thing that you or the other person should STOP doing? This will highlight where activities are getting in the way of success.

■ **Continue** - What is the one thing that you or the other person should CONTINUE doing? This will highlight where talents are being utilized and can be expanded.

To do this as a group, you might hang three posters on the wall or allocate three sections of a whiteboard: one for Start, one for Stop, and one for Continue. Then gather the team together and hand out sticky notes to all of the participants, asking them to jot down ideas for Start, Stop, and Continue.

After 10 to 15 minutes of ideation time, team members place

their sticky notes under either Start, Stop, or Continue. Many of the sticky notes will contain related ideas. Group the sticky notes into logical themes and take some time to discuss one or more of the most common ideas. To keep the conversation moving, you can allocate five to 10 minutes to addressing each topic.

The best place to begin, of course, is Start. What ideas have people been kicking around that they haven't had the time to execute? Are conditions right to move ahead with a new process or initiative?

Next, move on to Stop. What activity consumes a lot of time for very little return or reward? Do any processes cause an inordinate amount of stress? These conversations help you spot activities that distract you from your core purpose. Eliminating them will feel like a breath of fresh air.

Finally, turn toward Continue. This is the time to identify and evaluate activities that show positive results and contribute to the success of your firm. Encourage team members to share stories

about wowing a client or turning around a difficult situation.

At the end of an hour, you'll have a stack of ideas. Some you can move forward with right away, others you may need to keep for another time. But look for a few quick wins that you can accomplish right away. This will give participants evidence that

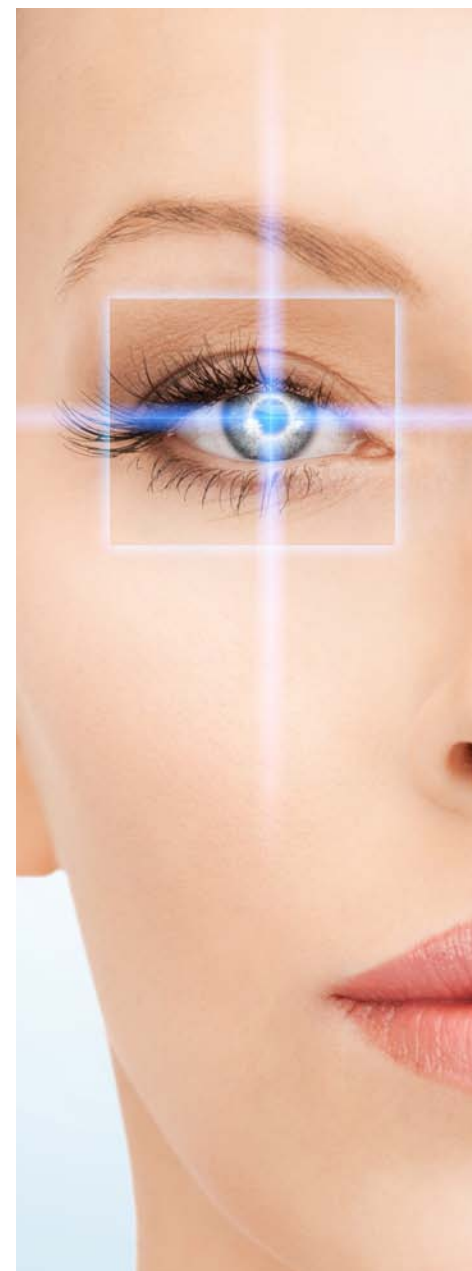
Everyone must be willing to put themselves in a vulnerable position and be committed to change.

their opinions matter and that the process is valuable.

While it's simple, it isn't easy. Everyone must be willing to put themselves in a vulnerable position and be committed to change. We've done this with many of our clients as well as within our own leadership team. It facilitates open, honest conversation and gets everyone focused on what is most essential for future success. ■



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## MARK YOUR CALENDAR:

- July 31 - Deposit FUTA if more than \$500 is owed
- July 31 - File Form 941 for Second Quarter
- July 19-21 AICPA Financial Planning & Analysis Conference, Las Vegas
- July 31-August 1 AICPA Emerging Partner Training Program, New Orleans
- August 2-4 AICPA EDGE Experience, New Orleans
- August 5 Work Like a Dog Day
- August 7-8 AICPA Governmental Accounting and Auditing Update Conference, Washington, DC
- August 4-9 American Accounting Association (AAA) Annual Meeting, San Diego
- August 10 - File Form 941 for Second Quarter if all payments were deposited timely
- August 13 Left Handers Day
- August 14-16 AICPA Peer Review Program Conference, Nashville

## YOUR TO DO LIST:

- Learn something new: Webinar: Expanding Your Firm's Advisory Services, Donny Shimamoto  
<https://www.cpaacademy.org/webinars/a0D4400000QkmosEAB>
- Support a Worthy Cause: Moneythink - Young people working to restore the economic health of the United States through financial education. <http://moneythink.org/>
- Take care of yourself: Managing Stress in the Workplace  
<https://www.helpguide.org/articles/stress/stress-in-the-workplace.htm>

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Gracias

謝謝!!!

Merci!

Ευχαριστώ

ありがとうございます  
ございます

Ευχαριστώ

Emphuhlelis

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شكراً

Gracias

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