July—August 2022

THE ASSET

Official Publication of the Missouri Society of Certified Public Accountants

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Connect, Engage and Advance in MOCPA's New Year

By Jim O'Hallaron, CAE

Happy MOCPA New Year! This is always an exciting time for us as we welcome in new leadership on our board, chapters and committees. You can get to know some of our new officers on page 8 and our new Board Chair Markus Ahrens on page 6.

A continued focus in the coming year will be strengthening the talent pipeline in Missouri by showing students that accounting is a viable, rewarding career option. Markus is definitely the right chair at the right time for advancing our efforts. He has received national and state awards for his innovation in the classroom, and he co-founded a website dedicated to providing educators with up-to-date teaching resources. He is also the immediate past chair for the AICPA's Academic Executive Committee and a past trustee for the AICPA Foundation Board. I look forward to working alongside him and all of our volunteer leaders this year.

Members approved our new officers during the Annual Members Convention in June at the lake (see page 28). This is hopefully the start of more opportunities for us to gather in person to reconnect and learn. Our CPE team is busy rolling out new programs for the 2022-2023 year, which will be offered in a hybrid format to accommodate all preferred methods of learning. Refer to pages 26-27 for a preview, and visit *mocpa.org/cpe* for a full course catalog as you map out your development plan for the year. Don't forget that your membership includes 20 hours of designated complimentary CPE, featuring an economic series led by Chris Kuehl Ph.D., sessions on diversity, equity and inclusion, as well as mental health topics. Also, remember that as of January 2020, you need 40 hours of CPE each calendar year, including two hours of ethics.

As you seek ways to continue enhancing your learning, engaging in the profession and connecting with your peers, MOCPA has numerous opportunities for you. Check out upcoming events through our chapters, including the ninth installment of the popular CliffsNotes series, numerous community volunteering activities, and the annual Awards Celebrations in November. There are also chances to exchange ideas at upcoming committee meetings and roundtables, or through forums like the tax listserve, Connect Communities and social media. You can support the future of the profession by getting involved with MOCPA's new CPANext initiative and contributing to our Legacy Endowment Scholarship fund (see page 24). If you haven't renewed yet this year, I encourage you to do so soon so that you don't miss out on your member benefits. If you would like help finding opportunities to build your network or enhance your learning, please don't hesitate to contact us. We are here to support you and help you advance!

Jim O'Hallaron is a certified association executive (CAE) and is the president of the Missouri Society of Certified Public Accountants. He leads the staff and operations for the 9,000-member society.

johallaron@mocpa.org

linkedin.com/in/jim-o-hallaron-9a0a705/

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Publisher	Jim O'Hallaron, CAE
Managing Editor	Dena Hull, CAE
Assistant Editor	Holly Matthews
Art Director	Ryan Morris

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Missouri Society of CPAs
540 Maryville Centre Drive, Suite 200
St. Louis, MO 63141
Phone: (314) 997-7966; (800) 264-7966

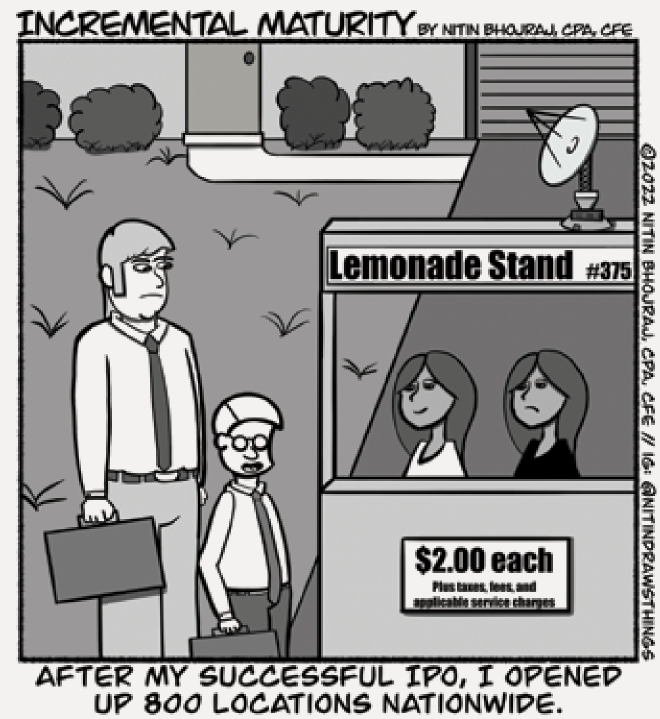
mocpa.org
@missouricpas
linkedin.com/company/missouri-society-of-cpas
Read *The Asset* online at *mocpa.org/asset*

Editorial contact:
Dena Hull, *dhull@mocpa.org*
Advertising contact:
Steve Peirick, *speirick@mocpa.org*

In Case You Missed It…

MOCPA's 2020-2021 Board Chair Mark Radetic is enjoying 15 minutes of fame as The Michelob Ultra Guy! While in a crowd of spectators who all had phones in hand to capture Tiger Woods competing at the PGA Championship, Radetic stood out. Instead of holding up his phone, he was taking in the moment—with a Michelob Ultra in hand. The image was quickly shared on Twitter with a comment, "No cell phone. Just a man watching Tiger with a Michelob Ultra." It took off from there. The next thing he knew, his image was being sold on hats and t-shirts, his phone was ringing off the hook for media interviews, and there are talks of putting his photo on a beer can. We can proudly say, we knew him when...

—Twitter: @TheMichUltraGuy; Instagram: theofficialmichultraguy



Nitin Bhojraj attended Washington University in St. Louis and UMSL. He currently teaches accounting and draws cartoons in the Chicago suburbs where, unfortunately, Ted Drewes frozen custard is not available.

—@nitindrawsthings

As heard at MOCPA's 2022 Annual Members Convention…

MOCPA members gathered at the Lake of the Ozarks on June 2-3 for relaxed networking and fun, along with professional learning and development sessions. A crowd favorite was Ric Rosario's session on cybersecurity risk management. Rosario is the CEO of CAMICO Mutual Insurance Company. He shared the following startling facts and figures from the 2021 Verizon Data Breach Investigations Report:

- **85%** of data breaches involve a human element.
- Phishing was involved in **36%** of data breaches.
- Ransomware attacks increased **6%** in past two years.
- **39%** of all breaches involved web applications.
- **96%** of mail servers compromised in attacks were cloud-based.
- Only **8%** of businesses that pay a ransom get back "all" of their data.
- **29%** get back no more than half of their data.
- The cost of recovering from ransomware attacks has more than **doubled** since 2020 ($761K v $1.85M).
- Average ransom paid was **$170K** (one-tenth the cost to recover).

Meet Your 2022-2023 MOCPA Board Chair: Markus Ahrens, CPA, CGMA

Family:

I met my wife, Laurie, while attending Saint Louis University. We have been married for over 36 years, and we have three grown children—Matthew, Jonathan and Colleen. We have a wonderful daughter-in-law, Megan and three granddaughters—Emerson, Teagan, and Mackenna. Two of my children work in public accounting—Jonathan works for RubinBrown in St. Louis, and Colleen works for Baker Tilly in Chicago.

Education:

Saint Louis University—Bachelor's degree in accounting and finance, MBA, and finalizing dissertation for Ph.D.

For fun:

I most enjoy spending time with my family at the Lake of the Ozarks. Our three granddaughters are a joy to be around, and my wife and I feel blessed to see them often. I also enjoy my volunteer work on boards and committees related to the profession. I work with some very talented colleagues throughout the country, and I'm a better educator because of working with them.

First job ever:

Working at my parents' steel distribution company in eighth grade. My parents raised my five siblings and me around three pillars—faith, family and hard work. We were expected to have summer jobs early.

Why did you become a CPA and an educator?

As a first-generation college student, becoming a CPA provided me a rewarding professional career path. I knew a couple of CPAs growing up, and they were inspiring role models. In addition, I enjoyed my high school accounting courses. I became an educator because I enjoy exposing college students to amazing and diverse career opportunities in the accounting profession.

If you could travel anywhere, where would you go?

Alaska is on my bucket list. It is the only state that I have not visited.

Best advice you've ever received?

I've been fortunate to have some great mentors within the profession and academia. I was told early in my career that if you surround yourself with smart people who inspire you, you become a better person. In addition, I was taught to develop a big picture (long-term) mindset, to think of the consequences of every decision, and to not focus only on short-term results.

What do you read regularly?

MOCPA's *Flagship Report*, *Morning Brew*, *The Kiplinger Letter*, and *The Wall Street Journal* headlines.

What would people be surprised to know about you?

I average more than 20,000 steps per day.

Who is the one person you would call in a crisis?

Definitely, my wife. Laurie has provided the support at home for me to be involved in all of the things that I have been throughout my professional career.

Describe your career path.

After graduation, I spent 15 years in industry in a variety of accounting and finance roles. I worked as a staff accountant, cash management and treasury specialist, property accounting supervisor, stock analyst for a major brokerage firm, and controller for a large auto group. After completing my MBA, I began teaching part-time for St. Louis Community College and served on the Accounting Program Advisory Board. In 2001, I became a full-time accounting faculty member, and I have served as a department chair for the past 15 years. Since 2006, I have also served as a part-time professor at Saint Louis University in the Master's of Health Administration Program.

Describe your leadership style.

I have a hiring philosophy that I don't have to hire the smartest person, but rather a smart person who is a collaborative team player. My leadership approach is we "work

hard, have fun, and respect everyone." In addition, I try not to worry about things that I do not have any control over.

What has been your most rewarding experience as an educator?

Seeing students choose accounting as a degree after taking my class. In addition, seeing former students working in the profession and getting involved with MOCPA. I think my son is tired of being asked by interns if he is related to me!

What are the biggest challenges facing the CPA profession?

The decreasing size of the pipeline of future accounting professionals and the continued pace of change in the skill set required of new accounting graduates. Critical thinking skills, digital and technology acumen, and the desire to be a lifelong learner are essential to the future accounting professional. The pandemic proved that we can be innovative and nimble to changes in our environment. We need to embrace this innovative mindset.

What are your goals for MOCPA?

My focus throughout the next year will be on the pipeline issue. Continuing our high school outreach, launching the CPANext program, and the growth of our Legacy Endowment Scholarship Fund can help address the pipeline issue. Expanding our Business and Industry Committee initiatives and helping attain accounting as a STEM designated discipline are additional priorities.

How has belonging to MOCPA helped in your career?

MOCPA provides a unique and inclusive environment for all CPAs in public accounting, business and industry, non-profit, and academia to work together to address the challenges facing the accounting profession. This amazing opportunity through MOCPA has provided me with my most rewarding volunteer experiences. MOCPA has allowed me to keep current with profession changes and trends, which has allowed me to pivot more quickly within my accounting roles.

What advice do you have for young professionals just starting in the profession?

I encourage young professionals to get involved in MOCPA early in your career. There are so many ways to engage with MOCPA, and many opportunities do not require a huge amount of time. The connections that I have made through my involvement with MOCPA are invaluable. I wish that I would have become more involved earlier in my career.

How can schools and firms/companies best collaborate to increase diversity in the profession as well as retain and advance minority team members?

Our pipeline initiative to the high schools combined with the mentoring and financial support that the new CPANext program can provide to minority groups will be a great start to increasing diversity within our profession.

When you approach the podium this year, what should your "walk-up" song be?

"Don't Stop Believin'" by Journey. This was my favorite song in high school, and it's my "feel good" song every time I hear it.

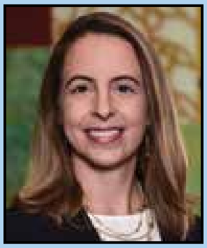
Markus Ahrens is the district chair of the accounting, business and economics department and a professor at St. Louis Community College. He is chair of MOCPA's Board of Directors for 2022-2023.

mahrens@stlcc.edu

linkedin.com/in/markus-ahrens-0105921b/

2022-2023 MOCPA Board Members Take Office

At its meeting in June, MOCPA's Board welcomed new directors. Andrea Barry, Chuck Hutchins, Jamie Jabouri and John Mather will serve three-year terms, starting July 1 and concluding June 30, 2025. Current director Renita Duncan, who is completing a three-year elected term, was appointed to serve an additional one-year term. For a full list of MOCPA Board members, please visit *mocpa.org/board*.



Andrea Barry, CPA
Deloitte
Audit Partner

If you could choose anyone to be your mentor, who would it be?

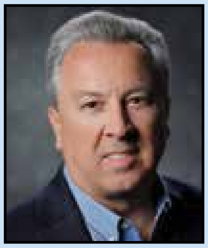
While a number of strong leaders, both in the business community and of our impactful charitable organizations, come to mind, I learned years ago that having a "board" of professional and personal mentors is the most helpful to me as I lean on different individuals depending on what I am looking for advice on. A key characteristic that I look for in a mentor is candor—a combination of transparency and the ability to ask the tough questions that cause you to step back and think about how you personally want to approach the question at hand.

What career accomplishment are you most proud of?

I am most proud when my team rises to the occasion and delivers something exceptional to the client, when one of our professionals takes an opportunity to try something new at Deloitte and tackles it successfully, or when a team member goes above and beyond to help out someone else on the team. Those moments bring pride in being a part of creating an environment for our people to shine.

How do you unwind after a hectic day?

Each day is different with three kids and a dual career (and dual CPA!) household, but my husband and I usually cook dinner at home with some music playing. If the St. Louis weather is cooperating, dinner outside on the patio is one of our family's favorites.



Chuck Hutchins, CPA
Leggett & Platt, Inc.
Vice President, Chief Tax Officer

If you could choose anyone to be your mentor, who would it be?

Well, given my age, it would probably have to be someone really old... or dead! In that vein, I'm going to say John Piper (pastor/author). A real mentor for me would be someone outside the professional world who helps me stay grounded and focused on the right things in life. My "work life" is only one very small element of who I am.

What career accomplishment are you most proud of?

Transforming the sales/use tax function at Leggett & Platt into a high-value, low-cost operation.

How do you unwind after a hectic day?

It varies from time to time, but right now it's ducking into our TV room by myself and watching "Star Trek: The Next Generation" reruns!

Jamie Jabouri, CPA, CITP, CISA
Schowalter & Jabouri, P.C.
President

If you could choose anyone to be your mentor, who would it be?

We should all be grateful for the mentors, coaches, sponsors and advocates who have helped us grow as people and progress in our careers. I continue to keep a team of mentors, with gratitude for each one that helps me with different strengths and different perspectives. I am thankful for: John for reminders of the future; Mr. Jabouri to help remember where I came from and remind me that my instinct is great; Martha to cheer me on to the community; Jerry to help me think logically; Nancy to help me think creatively; and Luke to remind me what a great mom I am (well, until he turns 13 this year—then all bets are off!). I am looking forward to meeting new people in this MOCPA Board role and having the opportunity to be mentored, coached and sponsored by some of them as we work together to continue to strengthen our state CPA society for the future. I know my mentors will continue to help me grow.

What career accomplishment are you most proud of?

Passing my CPA exam! I am proud of being a licensed professional who can advocate for my clients and my team as we partner to navigate the difficult business environment together. Passing the exam is the watershed moment for me as a professional working in public accounting.

How do you unwind after a hectic day?

Well, I am glad to say that it isn't "studying for the CPA exam" anymore! (A shout out to all young professionals who are in the thick of studying for the exam. Hang in there! It is worth it.) I enjoy cooking dinner for my family, working out a few times a week, watering my flowers and tomatoes, and traveling.

John Mather, CPA
FORVIS, LLP
Managing Partner

If you could choose anyone to be your mentor, who would it be?

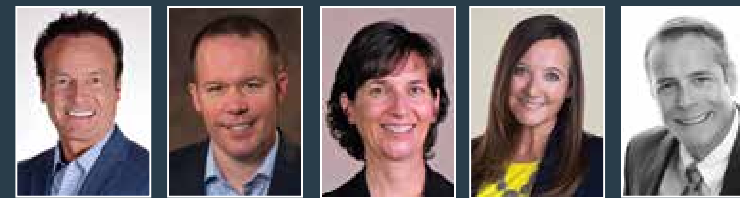
I idolized my grandfather while I was growing up. He always lived with the strongest integrity and a strong regard for others. The respect he had for others showed through in the respect others had for him. I often find myself asking him for advice even though he has been gone for more than two decades.

What career accomplishment are you most proud of?

I am always the most proud when I see others I have worked with and had some form of mentorship with succeed.

How do you unwind after a hectic day?

I like to have a nice quiet ride home to reflect and then spend some time completely devoid of work with my wife or (not often enough) on the treadmill.



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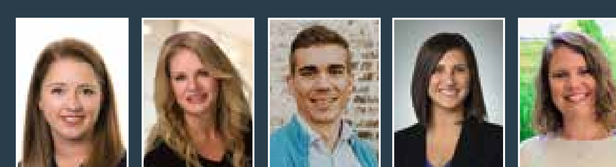
MEET THE MOCPA EXECUTIVE COMMITTEE

These members serve one-year terms as officers on the MOCPA Board of Directors.

1. **Chair:** Markus Ahrens, CPA, CGMA; St. Louis Community College; District Chair of Accounting, Business and Economics Department and Accounting Professor
2. **Chair-Elect:** Jeff Parkison, CPA, CGMA; City Utilities of Springfield; Director of Treasury and Financial Planning and Analysis
3. **Vice Chair:** Jennifer Reynolds-Moehrle, CPA, CGMA, Ph.D.; University of Missouri-St. Louis; Accounting Professor
4. **Treasurer:** Jen Vacha, CPA, CGMA; Armanino; Partner
5. **Secretary:** Brett Lewis, CPA; Grant Thornton LLP; Managing Partner



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NEW CHAPTER CHAIRS TAKE OFFICE

Effective July 1, the following chapter chairs will serve one-year terms:

1. **Kansas City Chapter:** Jessie Connolly, CPA; CBIZ MHM LLC; Tax Manager
2. **Northwest Chapter:** Taira Garvey, CPA; CLA; Principal
3. **Southeast Chapter:** Damon Bower, CPA; Coffman and Company, P.C.; Partner
4. **Southwest Chapter:** Jenna Vickers, CPA; Associated Electric Cooperative; Auditor III
5. **St. Louis Chapter:** Michelle Chlebowski, CPA; Crossroads College Preparatory School; Director of Business and Operations

Central Chapter: TBD

2022 Legislative Session Wrap Up

By Chuck Pierce, CPA, CGMA

The 2022 legislative session ended on May 13 and was one of contrasting chambers. The Senate was marked by tense and sometimes acrimonious debates, filibusters and gridlock, while the House tackled legislation in its typical fashion. Much of this is attributable to the difference in procedural rules between the House and Senate. The House has a time limit on debates and more flexibility to stop debate all together. The Senate allows any senator to speak on any issue for as long as they want.

This contrast in styles was evident in how both chambers handled one of the biggest priorities of the session, establishing new congressional maps. The House had passed one version of the redistricting early in the session. The Senate came up with a different version and sent it back to the House. The Senate then refused to go to conference to work out the differences, so the process was in a stalemate for months. The House revised its version and sent it to the Senate with only two weeks left.

Going into the last week, it was not clear if the Senate was going to be willing to pass the new House version. On the next to last day, Senate leadership used a rare parliamentary procedure to bring the redistricting bill up on the floor in a way that reduced the risk of a filibuster. After only a few hours of debate, the redistricting bill passed. By then, the tension of this and other issues had taken its toll, and the Senate adjourned on Thursday evening, leaving before the final day of session.

With the Senate gone, the House was limited in what legislation it could take up on the last day. However, the House was able to give final approval to 20 bills in six hours.

The Senate's slow process had two primary effects on legislation. It limited the total number of bills that were passed, and the ones that did tended to be large omnibus bills.

Not counting budget bills, the Legislature sent 43 bills to Gov. Parson for approval. In a typical year, the Legislature passes approximately 150 non-budget bills. Having so many large omnibus bills this year makes it harder to evaluate the legislation and increases the risk of important issues suffering a veto because they are contained in a bill with a controversial or flawed measure.

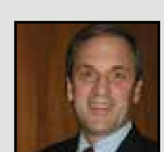
Two bills that passed are of particular interest to Missouri CPAs:

- **HB 2400**, which contains the following issues:
  - Establishes a pass-through entity workaround for Missouri, which is effective for tax years ending on or after Dec. 31, 2022;
  - Makes changes to the Tax Credit Accountability Act;
  - Allows non-resident credits for members of certain S-corporations for tax imposed by Missouri on income earned in another state but not taxed by that state;
  - Modifies the self-employed health insurance deduction;
  - Restores the utility sales tax exemption for hotels and motels;
  - Establishes a state research and development tax credit program; and
  - Provides relief to companies that were unable to meet job targets under the Missouri Works Program due to the pandemic.
- **HB 2090** provides for a one-time tax credit of up to $500 to Missouri taxpayers with adjusted gross income of less than $150,000 for an individual or $300,000 for a married couple.

Several other bills passed that may be of interest to you, depending on your area of practice. Because most of the issues MOCPA was tracking ended up in large omnibus bills, it may be hard to find the applicable portion of the bill. Here is a summary of bills included on MOCPA's website *(mocpa.org/government-advocacy)* to help you determine which ones you may want to review more closely:

- **HB 1472** redefines the offense of money laundering to include crypto currencies.
- **HB 1606**, an omnibus local government bill, makes changes to local government requirements to publish financial statements and revises the penalties for failing to file statements with the state auditor.
- **HB 1720**, an omnibus agriculture bill, revises the sunset dates for various agricultural tax credits.
- **HB 2168**, an omnibus insurance bill, establishes an automation adjustment fee for unemployment insurance. The amount of this fee is offset by reductions in the regular fee for unemployment insurance.
- **HB 2331** includes provisions to create a new tax credit for a community-based faculty preceptor for medical students.
- **SB 652** exempts sales of FIFA World Cup tickets from sales tax.
- **SB 672** changes and establishes new programs related to workforce development.
- **SB 724** includes the same reporting and filing changes for local government as HB 1606, but it also has a provision pertaining to bond issues for school districts in St. Charles County.
- **SB 745**, an omnibus utility bill, restores the sales tax exemption on utilities purchased by hotels/motels and creates a sales tax exemption for certain solar energy systems.
- **SB 758** makes several changes to purchasing requirements for state and local governments.
- **SB 886** makes some technical changes to trust interpretation and decanting.

All bills that passed both chambers now go to Gov. Parson for his review. He has until July 14 to sign or veto bills. If he takes no action by July 14, the bill becomes law without his signature. Look for a future update on the status of these bills after the July 14 deadline.



Chuck Pierce is the president of Pierce Company, LLC in Jefferson City and serves as MOCPA's government relations consultant.

chuck@pierce-co.com

linkedin.com/in/chuck-pierce-876a9619/

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Applying the Power of Action to Recruiting Corporate CPAs

By Zach Morgan, CPA

Our profession has been changing and morphing, as new technology and streamlined business practices dominate core functions in audit, tax, accounting and other traditional CPA roles. As public practice CPA firms grapple with an accelerating evolution of skills and technology, CPAs in corporate sectors face similar challenges. We, too, are experiencing a decline in the number of CPAs working in corporate roles. There are opportunities for the profession to slow (and possibly halt) CPA talent attrition, but we must actively seek non-traditional approaches to recruiting and retaining CPAs in corporate roles. Accomplishing this goal requires action.

Reflecting back over the last decade as a CPA, I have had a chance to witness the power of taking action. I've been blessed with a variety of professional opportunities, and the most impactful were the ones that, at the time, did not seem nearly as significant as they turned out to be. To illustrate, two experiences in my career have helped to shape this perspective:

Company Y: One company had a unique vision decades ago, leveraging a trove of data unique to their industry. The vision was executed to perfection and led to many years of market dominance. Unfortunately, I believe their early success became entrenched as long-term business practice, and succession planning was not prioritized as the business flourished. Focused on competing with traditional industry rivals and not the likes of Apple and Fitbit, the company was not agile enough to adjust to these industry disruptors and went through multiple leadership changes, eventually sold, and was forced to downsize.

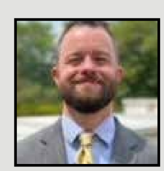
Company Z: The other company is a small electric utility. Knowing full well the threats to declining kilowatt sales were coming, instead of focusing on traditional methods of fighting revenue reduction in the industry, such as raising rates, the utility acted well before the threats were at the front door. Company leadership invested in a new business model: broadband. While providing broadband service was nontraditional at the time, it had its desired impact. The cash flow from the new company allowed the utility to not only stabilize traditional electric service revenues but grow over 100 percent human capital to meet customer demand. The key to innovation trigger: a focus on user experience—and resulting in some of the highest customer satisfaction scores in the history of the company.

CPAs have been reskilling their entire professional lives. That is not to suggest tugging at the edges of change; rather, a paradigm shift. We must apply unconventional perspectives to the talent challenges in our profession. The CPA exam is changing (Jan. 1, 2024) to emphasize new areas of **transformative technology**, and part of that evolution is adjusting our recruiting base to catch these new skills. While CPAs and CPA firms in public practice are adjusting business models, are CPAs in corporate roles and our businesses following suit? As in the examples above, we need to be forward viewing like Company Z. For example:

Company Z is working to integrate **blockchain technology** for non-crypto purposes. They believe the underlying technology will change how people access their energy for the foreseeable future. While blockchain systems technology can offer unparalleled transaction transparency, professionals still need to verify the technology is executing the way it should be. It's hard to think of a better professional than a CPA to verify transactions and make sure the technology is executing as it should. Blockchain systems audit!

Another item coming to Company Z's front door is **ESG reporting.** The SEC released a proposal[1] that will make ESG a required item in financial reports. Who do you think will be responsible for that reporting? Even if it doesn't pass after the comment period this time, it will not be going away. It looks like there will be different reporting requirements for Scope 1, 2, and 3 emissions. This will require a whole new skill set for accountants. Though we may not know what it will look like, we all know it will involve some data collection, verification, and analysis.

No longer can CPA skills for corporate roles rely on traditional profession talent: data entry, report writing, data analytics, storytelling, and so forth. The intersection of: 1) CPA talent challenges in corporate and government entities; and 2) CPA evolution can be leveraged only by broadening our reach for talent. Just like their CPA firm counterparts, business and industry CPAs must cast a wider net. Our profession is pivoting, and CPA evolution and talent shortage threats facing CPAs in corporate and governmental roles are forcing us to look at new opportunities. We can be like Company Z where we have the ability to forge our future. Or, we could be like Company Y, and go by the wayside while others power past us.



Zach Morgan is the CFO of United Electric Cooperative in Maryville, Mo. He serves on MOCPA's Business and Industry Committee and is the immediate past chair of MOCPA's Northwest Chapter.

zeemo1986@gmail.com

linkedin.com/in/zachery-morgan-69142a43/

[1] *17 CFR Parts 200, 230, 232, 239, 249, 274, and 279. Enhanced Disclosures by Certain Investment advisers and Investment Companies about Environmental, Social, and Governance Investment Practices.*

Tech Stacks: What's Yours?

By Joe Eckelkamp, CPA

A tech stack (TS) is simply the amalgamation of a firm's technology applications, services, and hardware used to deliver its services, enhance effectiveness and efficiency, and enable internal and external collaboration. An ideal TS is secure, flexible, scalable, and connected, with a manageable learning curve. It also defines how a firm is perceived by both staff and customers, and intentionally or by evolution, changes over time.

Elements of a TS obviously include a firm's major applications, hardware and peripherals, and connectivity. In reality, it also includes everything from communications, practice management and administration tools, and less front of mind items, such as website, scheduling, payment processing, and more. A given CPA firm's TS scope depends on the firm's budgetary considerations, but it also derives from the firm's situation, philosophy, and customer demographics.

A firm's focus in its overall approach to technology and its TS should be to deliver what the customer expects in the most effective and efficient manner possible. But a firm's views on several internal considerations often drive that effectiveness and efficiency determination.

Therefore, broad, over-arching conceptual thinking comes before creating or modifying a TS. One of the first considerations is whether to be cloud-based, use local resources, or use a hybrid. Another is the relative importance of full application integration.

Of course, budgets matter, too, so it's important to avoid spending resources on the latest "cool" technology or hardware, and instead, to invest in the specific technology solutions that make a difference in a firm's success. In other words, don't buy "a solution in search of a problem" or "do perfectly that which should not be done at all." Examples of important considerations include a firm's:

- Target markets and their relative sophistication and embrace of technology.
- Decision whether to trade-off "best-in-class" applications for fully integrated "suite" solutions, or vice versa. (This is an area where significant evolution has been or is now occurring.)
- Market positioning and status (e.g., low-cost-provider, niche firm, innovator).
- Breadth of service offerings now and expected in the foreseeable future.
- Number of locations and whether using remote staffing.
- Comfort with centralized/decentralized administrative activities and operations (such as scanning).
- Use of in-house, local, or cloud-based resources to manage the TS.
- Available talent in-house and total cost of ownership.
- Data security and recovery capabilities, and more.
- Stage in the overall life cycle.

The last point about life cycle is particularly impactful. A firm that is in its ascendancy stage should invest for the long term, so its TS needs to be about capability, accommodating rapid growth, and addressing a changing workplace. A mid-cycle firm will emphasize consistency and predictability to a much greater degree than an ascendant firm. The TS's focus is effectiveness and efficiency (in that order), followed by the capability to meet opportunities that arise. For example, if a firm expects to make acquisitions, easy conversion of another TS to its TS is important.

If a late-stage firm expects to be acquired by another CPA firm or have a quick major ownership change soon, its TS is simple. New ownership will want to implement its ideal TS, so keep contracts short and only make required changes, or changes that pay back within the remaining ownership period. Another important consideration for acquisition targets is to avoid TS components that are difficult to de-convert from and/or have onerous exit fees.

Less immediately apparent conceptual imperatives also should be addressed. For example, does a firm view its website as an integral part of its clients' experiences (e.g., scheduling, payment processing, portals) or does it view those as separate from the website and use the website as almost exclusively a marketing tool? The answer is likely a combination; and whichever dominates will lead to a different TS.

It's also often inadvisable to bite off all of the components of the TS in one chunk, so many discussions break TS components into groups. While the groups aren't absolute or universal and they vary from firm to firm, it's helpful to combine a TS's pieces into groups based on the primary use and/or user. Each group is important and intertwine, but each also has unique considerations. Common components include technology for:

- Service delivery—used to provide:
  - o Accounting, audit, tax, payroll, and other core services.
  - o Client portals.
  - o Website, depending on whether a firm views its website as primarily for serving existing clients, prospecting, or both.
- Foundational or operational needs—fundamental to basic firm operations, such as:
  - o Email and communications.
  - o Practice management and CRM software.
  - o File/document management.
  - o Infrastructure.
- Practice administration—used to support the first two groups:
  - o Pricing.
  - o Timekeeping.
  - o Billing.
  - o All other.

The sidebar gives examples of two very different, comprehensive TSs.

It's highly unlikely that any firm has exactly the TS it needs. Even if it did, that TS will need to evolve as things progress.

So, summer or early fall is a good time to evaluate your current tech stack; assess what your true needs are now, and in the near future; and determine a path to get there. A firm's first step is to evaluate how it really operates, how it should operate, and how it will operate in the foreseeable future. That gives the direction to take the TS in a very intentional manner. And, while an IT consultant certainly aids in that process, the most important part of the process can only be done by firm leadership: decide what the firm is and will be. Spend on technology that will directly benefit the business and not just on something that's the latest "cool" technology/hardware.

A final thought on tech stacks that I adapted from a friend in the military: "Don't make the mistake [with a TS] that many military leaders do. Don't plan for the next war to be like the last war. It won't be." His point was that COVID and its impacts are so pervasive today that it's tempting to build everything around lessons during the last two years. However, in five years, those lessons may not still apply. Any TS needs to be flexible, adaptable, and able to accommodate unexpected events.

Joe Eckelkamp is the owner of The E&A CFO Group in St. Louis. He serves on MOCPA's Firm Leadership Committee.

joe@eacfo.com

linkedin.com/in/joe-eckelkampbba235/

Examples of Tech Stacks

	Sophisticated	Basic
Core Applications	"Best in Class"	Thomson Reuters CS VO Suite
MS Office Suite	Microsoft 365	Virtual Office (aka VO)
Practice management/CRM	Karbon	Practice CS (in VO)
Tax prep	CCH ProSystem fx	UltraTax (in VO)
Document/file management	CCH Axcess	FileCabinet CS (in VO)
Auditing	CCH Engagement	Hybrid built in-house
Payroll	Payroll Relief	Outsourced
Client accounting	QBO and QB Desktop	QBO
Client bill payment	Bill.com	Online banking
Client expense reports	Expensify	None
Website	Rootworks	Local Vendor
Product/service delivery	SmartVault	NetClient CS (in VO)
Client payment processing	SafeSend	CPACharge
ACH/e-check	Bank's application	CPACharge
Appointment scheduling	OnceHub	None/email on website
Banking	U.S. Bank	Regional bank
Communications		
Telephones	Mitel (VoIP)	Ring Central (VoIP)
Internet connectivity	AT&T (fiber)	Charter (fiber)
Email	Microsoft 365	Outlook (in VO)
Video conferencing	Zoom; Teams	Ring Central; Zoom
Voicemail to text	Mitel	Ring Central (RC)
Cell phone	Dedicated phone	Personal phone via RC
Texting	Dedicated cell phone	Ring Central
Faxing	Mitel	Ring Central
Voicemail	Mitel; cell phone	Ring Central
Electronic signatures	SafeSend	UltraTax CS (in VO)/DocuSign
Internal communications	Microsoft 365	Email/Practice CS (in VO)
Administrative		
Billing	QBO	QBO
Time tracking	Time Analytics	Practice CS (in VO) /QBO
Pricing	Rootworks	Excel spreadsheet (in VO)
Hardware		
• Server(s)	File Server; Traffic Manager	—100% Cloud-based
• Workstations	Laptops for all	Some laptops/desktops for most
• Monitors	43-inch quad monitors for all	4-21" monitors on a stand for all
• Scanners	Fujitsu	Fujitsu
• Printers	> 1 Lanier MFP color	Lanier MFP; Ricoh color
• Tablets	iPad (partners only)	None remarkable
Other TS Components		
Data security	Many options	VO; local vendor
Data recovery	Many options	VO
Outbound marketing	Constant Contact	Outlook (in VO) (email); website; local vendor (print)
Research service	CCH AnswerConnect	PPC
Online CPE	CCH CPELink; Checkpoint Learning	CPExpress
IRS e-file confirmation	CCH ProSystem fx	UltraTax CS (in VO)
IRS transcripts	IRS	IRS
Fixed assets	CCH Fixed Asset Solutions	None
Tax/financial planning	CCH options	None
Password management	Many options	FileCabinet CS (in VO)
Vendor management	QBO	FileCabinet CS (in VO)

Lead Early and Often

By Josh Beaird, CPA, CIA

The current business environment has many challenges, as global events impact firms, businesses, and employees in Missouri. One of these challenges has been called The Great Resignation, with a leading driver being the retirement of baby boomers, in some cases earlier than planned. This has led to a leadership void in many organizations and a chance for those earlier in their careers to fill a need. To harness this opportunity, it is important to develop a leadership skill set and be prepared for leadership opportunities when they arise. To start on your journey, there are three key actions to start taking now.

Communicate, communicate, communicate

The most important tool for any young professional is communication. Communication takes many forms and has changed rapidly over the past couple of years, as businesses were forced into digital environments, whether they wanted to or not. This has changed our preferences, styles, and expectations of what good communication is.

For a young professional, it's important to remember that your preferred mode of communication may not match that of your superiors or clients. Most correspondence is now text based and sending off an email or chat may seem like the easiest option, but that's not always the case. We communicate in three ways: body language, tone and words. Text includes only one of these three. When you need to initiate a conversation with someone, think through a few questions such as, could this be a sensitive issue for the receiver? Will I have follow-up questions? Could my message be misinterpreted? If the response to any of these is yes, it's best to set up a phone call or video chat.

Also, you need to be aware of your communication style. Tools such as the DISC personality profile create an awareness of how you communicate, and provide a framework to decipher how others prefer to communicate. For example, this allows you to know if someone likes to engage in small talk or get straight to the point, or if they want a big picture idea compared to working through the details. You can then prep for that big meeting with your manager or client with confidence.

Take on stretch projects

A great way to develop leadership is taking on projects that stretch you early in your career. We all notice things that could be done better or more efficiently, and others probably notice them, too. However, the issue has likely never been fixed because no one has taken ownership of the problem. In many cases, your superior is probably aware of the issue, but does not have the time or energy to address it. These types of problems are great for young professionals to take on and prove their value to the organization.

Stretch projects also provide an opportunity to work with others in your organization whom you may not interact with on a regular basis. They allow you to make connections that deepen trust and widen your network.

Seek leadership outside of your career

You likely have hobbies and interests outside of work that could provide leadership training opportunities. These may be related to your job, such as professional associations. Other areas may be charitable foundations, religious organizations, or common interest clubs. Most of those organizations have volunteer board and officer positions to be filled. These types of roles give you an opportunity to learn from others, put a vision into practice, and balance competing ideas. Furthermore, many organizations actively pursue involvement of young professionals to have a diversity of viewpoints. Seek out passion project

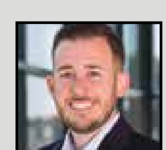
opportunities that are enjoyable and build your leadership skills at the same time.

Conclusion

These are just a few of the things you can do to build your leadership skill set. There are many other ways to develop leadership skills, and a good mentor or coach can assist.

A good leader needs vision and clear communication, so be sure you are invested in whatever leadership role you accept. If you are not all in, people that follow you will know, and it will undermine your credibility. Also, avoid jumping from opportunity to opportunity without finishing the job. Taking on leadership roles should not be solely to build your résumé. At the same time, be aware of capability in others and know when it's time to pass the torch.

Finally, be patient. Every leader fails and that is typically where you grow the most. Pick up some wisdom from each experience and be ready for the next opportunity.



Josh Beaird is a partner with The Whitlock Company in Springfield. He serves on MOCPA's Young Professionals Committee.

jbeaird@whitlockco.com

linkedin.com/in/joshbeairdcpa/

WOMEN'S INITIATIVES

Women at Work: Career Conversations

By MaryPat Davitz, CPA, CITP; and Katie Halloran, CPA

As a member of MOCPA's Women's Initiative Committee, I am excited to be documenting my dialogue with MaryPat Davitz about her career journey in this edition of the *Women at Work: Career Conversations* column. MOCPA's Women's Initiatives Committee has been a great resource for me to develop my leadership and presentation skills. But this is just the start. This group of knowledgeable, thoughtful and driven professionals teaches me something new every time that I meet with them—whether technical or leadership/soft-skills related. They are about solving problems and leaving the profession in a better state for future finance and accounting gurus.

The role of women in the professional workplace is vital. According to a 2021 article by McKinsey & Company, women leaders are working more to support their teams and provide practical footprints for DEI initiatives in the workforce. However, as previous column authors have noted, leadership seats for women, in nearly any industry, continue to lag compared to men.

We have shared the 2020 Catalyst study before and are reemphasizing it here. The Catalyst study showed that 50 percent of full-time CPA firm staff were women; yet, only 27 percent were partners and principals. Again, as we review the statistics for minorities and female minorities, they are even more daunting.

Our mission through these dialogues is to promote and support the advancement of women in our profession and help to ensure that their and future generations' careers excel.

I hope you enjoy, learn something and gain career development encouragement from my conversation below with MaryPat Davitz.

Katie Halloran: Can you share with me a fun fact about yourself?

MaryPat Davitz: Something that people don't know about me is that I played high school softball (left field) for Freeburg High School; and, as a junior, we won the Class A Championship with a 27-0 season. That season, we had our traditions (superstitions) and mine included a certain pair of socks and jersey. After I joined Mueller Prost one of my partners referred to me as her "lucky socks" when we started winning proposals whenever we presented together.

Halloran: Was being a CPA a lifelong dream or did you stumble upon it in your educational journey?

Davitz: In eighth grade, our instructors started to prepare us for high school by asking us "what do you want to be?" At that time, I started thinking about being a CPA partially because my mom was a bookkeeper. I understood to a certain degree what she did and what the auditors with whom she interacted did. I liked that auditors would come in, research and investigate and make sure things were being reported correctly. In addition, I was good at math, and it was one of my favorite subjects. I did not deviate from that desire to be a CPA and auditor throughout high school or college. I started my career with a large public accounting and auditing firm.

Halloran: How has the progression of your career shaped you for the partner role you hold today?

Davitz: There was a brief time (approximately two to three years) in my career when I took a break from public accounting. Before the "break," I was at one of the big six firms, and I never envisioned going to the partner level. There was only one female partner. Women did not wear pants except for Saturdays when you could wear khakis. In addition, there was a lot of emphasis on selling and building a book of business. At that time, I was not focused on that, nor did I feel I had the personality for it. Therefore, I took the "break" and went to work in manufacturing, started my family and moved closer to relatives for a good support network. As my family began to grow, the accounting firms began to recognize the need to retain female professionals. They launched what was called "the mommy track." Rather than going back to a bigger firm, I went to a small firm and was the first part-time female professional. I stayed there for 11 years and that is where I learned that I could achieve partnership and build a book of business all while raising a family. I realized that building a book of business or selling was really about developing client relationships—helping them identify the issues and solve problems, which I enjoyed and enjoy still today.

Halloran: Who has inspired and helped to shape your career choice, and in what ways?

Davitz: My mom is one. In addition, while at the smaller firm, we hired an individual, Justin Koebel, out of college to join the small audit team. He pushed me in a positive way to always get better while also pushing himself and our team to support the direction. We all demanded and extended trust, which allowed us to get outside of our comfort zones and achieve more together. Justin became a successful partner at Mueller Prost and is now working as an entrepreneur. I am still committed to my team and continue to receive support and trust from them.

Halloran: In your experience and through your observations, what impact have DEI efforts of companies made in the profession?

Davitz: MOCPA has been a great outlet for me. They have diverse members at all different points in their careers. From my perspective, it is important to have companies' and firms' executive officers demonstrate support for DEI efforts with specific leadership focused on DEI initiatives as well as those efforts being part of the companies' and firms' specific action plans. Internal activities like business resource groups being started as well as engagement with clients and the community regarding those DEI efforts are important steps. Ultimately, it is up to you to engage in DEI for your personal growth.

Halloran: What are some of the challenges you've faced as a female CPA and leader?

Davitz: Unconscious bias and perceptions of being a female in business. There is this common misrepresentation or myth that females in my line of work can be too nice. However, then the opposite that if you, as a female leader, are direct, you are perceived in a negative light too. Both are unfair stereotypes of women in business and our profession that could be career limiting. In public accounting, women account for 20-25 percent of women in leadership positions; but, approximately 65 percent of professionals are female.

Halloran: What are some of your go-to tips when it comes to integrating work and life?

Davitz: You have to draw the lines and prioritize appropriately. You have to set the right boundaries and create a work-life balance that works for you, your family and your employer. This is not my area of strength, but I have focused on trying to be present at work and at home and enjoying the moment.

Halloran: What advice would you tell young women who've recently entered the workforce? Is there anything you wish you had known earlier in your career that you could pass along to them?

Davitz: I would tell women:

- Make sure you speak up and take credit for your own thoughts and ideas. Don't allow someone to speak for you.
- Don't be afraid to be uncomfortable and live a little uncomfortably for a while.
- Offer to help when no one else has figured "it" out, and this can provide you a platform to really shine.
- Learn how to play golf. You don't want to be the one left in the office handling the emergencies when everyone else is attending a golf outing.

MaryPat Davitz is a partner with Wipfli LLP in St. Louis. She serves on MOCPA's Women's Initiatives Committee.

marypat.davitz@wipfli.com

linkedin.com/in/marypat-davitz-95729918/

Katie Halloran is a divisional CFO in the health care industry in St. Louis. She serves on MOCPA's Women's Initiatives Committee.

akpitney@hotmail.com

linkedin.com/in/annahalloran/

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- Develop positive routines for physical and mental health.

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Registration details coming soon to *mocpa.org/conferences*!

Accounting for Deferred Rent and Initial Direct Cost Under ASC 842

By Robert Singer, CPA, Ph.D.; James Bosnick, JD/LLM; John Loughlin, Ph.D.; Bailey Hayes

Introduction

In February 2016, the Financial Accounting Standards Board (FASB) finalized the new lease standard, Accounting Standards Codification (ASC) 842, Leases. While publicly and privately held companies have had some time to implement and adapt their information systems to capture the necessary information, and the FASB has issued several practical expedients to some of the more difficult provisions of the standard, their managements continue to be challenged with several implementation and disclosure issues. The purpose of this article is to consider the guidance under ASC 842 as it relates to accounting for deferred rent and initial direct cost. To appreciate the changes in the new guidance, a discussion of how these two areas were reported under the prior guidance provides context.

Treatment of Deferred Rent and Initial Direct Cost Under ASC 840

Under the previous guidance, if the lease contract was classified as an operating lease, the lessee would simply add the lease payments and divide them by the number of periods in the lease contract. Many lease agreements contain escalation clauses, which provide for periodic increases in the amount of the payment. As such, the unequal lease payments were averaged and recorded on a straight-line basis; the lessee accounted for the difference between the lease expense and the cash payments as deferred rent. Thus, when lease payments increased over the lease term, ASC 840 required the lessee to classify the deferred rent as a liability to be increased or decreased over the lease term. However, by the end of the term, total payments would equal total expense such that deferred rent would equal 0. Similarly, ASC 840 required initial direct cost to be set up as an asset and amortized over the lease period. Under ASC 840, these costs were limited to certain costs related to specific activities performed by the lessor. Examples include finder's fees, commissions to agents for establishing the lease, and up-front legal fees.

For illustration assume the following information:

- Lease meets the criteria for an operating lease.
- Lease payments are $500,000 for five years, and then increase at 5 percent every five years.
- The initial direct costs are $50,000 paid at the inception of the lease.
- The lease term is 15 years.
- The rate implicit in the lease is also 5 percent (needed for the ASC 842 illustration).
- Assume a combined tax rate of 25 percent.

Refer to Table 1, which lists the payments as well as other information that will be used in examining the treatment of these two items under ASC 840 and ASC 842. If the lease payments in column 2 are added and divided by 15, a lease expense per year of $525,417 is computed ($7,881,250/15 = $525,417). Amortization of the initial direct cost = $50,000/15 or $3,333. Total lease expense = $525,417+$3,333 or $528,750. The difference between the lease expense without regard to the amortization of initial direct cost, $525,417 and rent paid of $500,000 is $25,417, which represents an increase in an account, deferred rent. By the end of the 15th year, total increases in this account would be offset by total decreases leaving this account with a 0 balance. At the same time, amortization of the initial direct cost is written down to 0 by the end of year 15. The following journal entries record the payment of the initial direct cost of $50,000 and the first lease payment including related expense and amortization.

Year 1 Journal Entries:

	DR.	CR.
Initial Direct Cost	50,000	
Cash		50,000
To record initial direct cost paid at inception of lease		
Lease Expense	528,750	
Cash		500,000
Initial Direct Cost		3,333
Deferred Rent		25,417
To record one year of lease expense (under ASC 840).		

Of course, the above entry creates a future deductible amount as $503,333 is deductible for tax purposes while $528,750 is deducted for financial reporting purposes; the difference between these two amounts, or $25,417 represents, a temporary difference giving rise to a deferred tax asset equal to $25,417*25% = $6,354 and requiring the following entry:

	DR.	CR.
Deferred tax asset- Deferred Rent	6,354	
Income tax expense		6,354
To record a deferred tax asset in connection with the differences between amounts deducted for tax purposes and those deducted for financial reporting purposes.		

Referring to Table 1, in years when the amounts deducted for tax purposes are greater than the straight-line rent expense (see years 11-15), temporary taxable amounts are created giving rise to deferred tax liabilities or (realization of benefits from prior years' deferred tax assets). However, by the end of the 15-year period, tax expense in total will equal total taxes paid resulting in no temporary differences, and no deferred tax amounts. So how does the new guidance, ASC 842, differ in its treatment of deferred rent and initial direct cost with respect to operating leases from that of the prior guidance? What if under ASC 842 an evaluation of the classification criteria of previously classified operating leases results in financing leases? In the latter classification, amortization of right-of-use assets is decoupled from amortization of the related lease liability.

Treatment of Deferred Rent and Initial Direct Cost under ASC 842

First, it is important to note that a major difference between the old and new guidance is a change from ASC 840's risk and reward model to ASC 842's change in control model. Applying the five criteria under ASC 842 to operating leases existing at the time of transition might result in a financing lease classification. For example, an entity using the risk-free rate to discount a lease liability under ASC 842 may conclude that the lease is a finance lease, in which case the accounting would be similar to a capital lease under ASC 840. If the reclassification were to be required in transition, the first-time adoption of ASC 840 becomes significantly more complicated due to the amount of information and computation that become required. However, entities can avoid this added complexity because the FASB provided lessee with an option to apply a package of practical expedients under ASC 842-10-65-1. The three practical expedients included in the package, which must all be elected together if elected, allow an entity to not have to reassess whether its operating leases meet the definition of a lease under ASC 842, whether classification meets the criteria of a financing lease, and whether its initial direct cost falls within the scope of ASC 842. Thus, the lessee can continue to classify existing operating lease arrangements under ASC 840 as operating leases under ASC 842 at the time of adoption.

Second, assuming an entity retains the operating lease classification, the issue of treatment of deferred rent is moot because the account under the new guidance is eliminated. Instead, upon transition, any amount of deferred rent is subsumed into the right-of-use asset.

Third, the income statement effect of initial direct cost continues under ASC 842, except for two significant differences: one, their definition is more restrictive than that under ASC 840; that is the new guidance defines them as incremental costs that would not have been incurred had the lease agreement not been consummated; two, these upfront costs are added to the right-of-use-assets.

ASC 842's greatest effect is on the balance sheet as operating leases with a term greater than one year require recognition of right-of-use-assets and related lease liabilities. What is the impact of such recognition on the recognition and measurement of initial direct cost and deferred rent? As mentioned, the initial direct costs are added to the right-of-use assets and thus included in their subsequent amortization. Because the leases fall into the operating lease classification, the expense is treated on a straight-line basis as was the case under ASC 840. Thus, the expense effect, putting aside the narrower definition of initial direct cost, and the elimination of the deferred rent account is the same. Using Table 1 data, the accounting treatment of the difference between the lease payments and straight-line lease expense, as well as initial direct cost in the context of amortization of right-of-use-assets and related lease liabilities will now be considered.

Example: Accounting for Deferred Rent and Initial Direct Cost under ASC 842

Under the new guidance, rent expense related to operating leases is calculated much the same as under the ASC 840. Referring to Table 1, total lease expense is →

equal to $528,750, an average of the total lease payments + initial direct cost divided by 15. Implicitly, deferred rent is the difference between the lease payment and portion of the straight-line expense minus amortization of the initial direct cost. In this example, the present value of the lease payments is equal to $5,410,854. Because ASC 842 requires that initial direct cost be included in the cost of the right-of-use asset, $50,000 is added to the lease liability amount resulting in the present value of the right-of-use asset of $5,460,854. At inception date, lessee makes the following entry:

	DR.	CR.
Right-of-use asset	5,460,854	
Lease liability		5,410,854
Cash		50,000
To record the right-of-use asset, the lease liability, and cash paid for initial direct cost.		

Again, amounts included in initial direct cost under ASC 842 differ from that of the previous guidance; the former including only the incremental cost that would not have been incurred had the lessee not entered into the lease agreement; the latter including allocated overhead and other internal costs. Thus, to focus on the primary accounting differences, the example assumes that $50,000 used in the above example is the amount of initial direct cost under the new guidance. At 5 percent, interest expense associated with the lease liability in year1 is $5,410,854*5% = $270,543. The difference between the lease payment of $500,000 and interest expense of $270,543 is a principal reduction of $229,457, and the balance of the lease liability at the end of year 1 is $5,410,854 – $229,457 = $5,181,397. Amortization of the right-of-use asset at the end of year 1 is simply the difference between the total lease expense and the principal reduction associated with the lease liability as shown in the following entry:

	DR.	CR.
Lease expense	528,750	
Lease liability	229,457	
Cash		500,000
Right-of-use asset		258,207
To record first lease payment made at the end of year 1 and amortization of right-of-use asset and lease liability (see Table 1).		

Similar entries would be made at the end of each year through year 15. As shown in the amortization schedule, the effect of making these entries will result in a complete write-off of both right-of-use asset and lease liability. Thus, lease expense will always equal the sum of the average of the lease payments + amortization of the initial direct cost. The difference between the lease payment and the lease expense without regard to the portion of expense associated with the initial direct cost will increase the lease liability if the fixed expense is greater than the lease payment; decrease it if lesser than the lease payment. Moreover, the expense effect ignoring differences in measurement of the initial direct cost under ASC 842 from that of ASC 840 would be the same. Finally, temporary tax differences created as result of the difference between lease expense and lease payable will on a net basis be the same as that under ASC 840 or ($528,750 – $503,333 in year 1 or $25,417*25% = $6,354). However, it is important to note that when preparing schedules of deferred tax assets and liabilities, to the extent the right-of-use asset and lease liability have tax basis of zero, a separate deferred tax liability and asset should be recorded for the right-of-use asset and lease liability.

Conclusion

The areas discussed in this article are but two of the many changes under the new guidance. ASC 842 will continue to challenge public and non-public entities alike despite several practical expedients provided by the FASB. Defining what constitutes a lease, identifying and separating lease from non-lease components, determining who are the lessee and lessor parties in complex property transactions, developing an adequate information system for tracking leases, and determining an appropriate discount rate in long-term ground leases, are but a few of problematic areas that will continue to vex the management of these entities. Accordingly, ASC 842 provides fertile ground for academic and professional research in many of these areas.

Robert Singer is an accounting professor at Lindenwood University. He serves on MOCPA's Technical Issues Group.

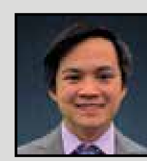
rsinger@lindenwood.edu

James Bosnick is an assistant professor of accounting at Lindenwood University.

JBosnick@lindenwood.edu

John Loughlin is an associate professor of finance at Lindenwood University.

JLoughlin@lindenwood.edu



Bailey Hays is an academic adviser and a master of accountancy candidate at Lindenwood University.

BHays@lindenwood.edu

Table 1

Year	Cash Payments	Lease Liability Interest Expense	Lease Liability Principal Reduction	Lease Liability Balance Sheet	Right of Use Asset Amortization	Right of Use Asset Balance Sheet	Total Lease Expense
0				$ 5,410,854		$ 5,460,854	
1	$ 500,000	$ 270,543	$ 229,457	$ 5,181,397	$ 258,207	$ 5,202,647	$ 528,750
2	$ 500,000	$ 259,070	$ 240,930	$ 4,940,467	$ 269,680	$ 4,932,967	$ 528,750
3	$ 500,000	$ 247,023	$ 252,977	$ 4,687,490	$ 281,727	$ 4,651,240	$ 528,750
4	$ 500,000	$ 234,374	$ 265,626	$ 4,421,864	$ 294,376	$ 4,356,864	$ 528,750
5	$ 500,000	$ 221,093	$ 278,907	$ 4,142,958	$ 307,657	$ 4,049,208	$ 528,750
6	$ 525,000	$ 207,148	$ 317,852	$ 3,825,105	$ 321,602	$ 3,727,605	$ 528,750
7	$ 525,000	$ 191,255	$ 333,745	$ 3,491,361	$ 337,495	$ 3,390,111	$ 528,750
8	$ 525,000	$ 174,568	$ 350,432	$ 3,140,929	$ 354,182	$ 3,035,929	$ 528,750
9	$ 525,000	$ 157,046	$ 367,954	$ 2,772,975	$ 371,704	$ 2,664,225	$ 528,750
10	$ 525,000	$ 138,649	$ 386,351	$ 2,386,624	$ 390,101	$ 2,274,124	$ 528,750
11	$ 551,250	$ 119,331	$ 431,919	$ 1,954,705	$ 409,419	$ 1,864,705	$ 528,750
12	$ 551,250	$ 97,735	$ 453,515	$ 1,501,190	$ 431,015	$ 1,433,690	$ 528,750
13	$ 551,250	$ 75,060	$ 476,190	$ 1,025,000	$ 453,690	$ 980,000	$ 528,750
14	$ 551,250	$ 51,250	$ 500,000	$ 525,000	$ 477,500	$ 502,500	$ 528,750
15	$ 551,250	$ 26,250	$ 525,000	$ (0)	$ 502,500	$ (0)	$ 528,750
Total Payments	$7,881,250		Initial Payment	$ 500,000		Discount Rate	5%
Average Payment	$ 525,417		Initial Direct Cost	$ 50,000		Cash Payment Increase (5yr)	5%

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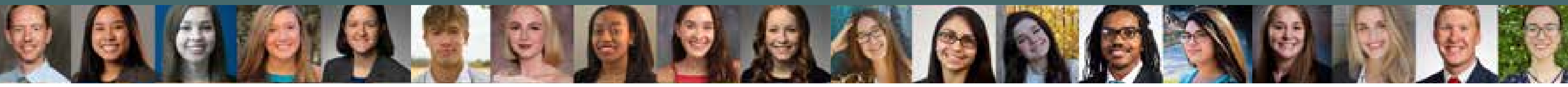
Contact Information

Peter A. Shea
MSCPA Affinity, LLC
540 Maryville Center Dr., Suite 200
St. Louis, Missouri 63141
T: 800-264-7966
E: pshea@mocpa.org



Legacy Endowment Scholarship Gifts Honor MOCPA Member Jim Brown

Jim Brown, CPA, who has been a MOCPA member for 50 years, recently concluded two terms of service, totaling 10 years, on the Governmental Accounting Standards Board (GASB). For his retirement gift, the other board members and staff made contributions in his honor to MOCPA's Legacy Endowment Scholarship fund, which was created to help relieve the burden of tuition for accounting students in Missouri and strengthen the talent pipeline for employers.

"We are deeply touched and appreciative that Jim and his colleagues have chosen to support our endowed scholarship fund to aid Missouri accounting students," said Jim O'Hallaron, MOCPA president and CEO. "We are honored to have Jim as a long-time MOCPA member. His contributions and generosity in serving the profession locally and nationally are an inspiration to me and so many others. He is truly helping pave the way for Missouri students seeking a rewarding career as a CPA."

Brown is a retired partner from BKD LLP (now FORVIS, LLP) and a graduate of Missouri Southern State University. He has taught numerous professional development courses for MOCPA and is an avid baseball fan. Congratulations and well wishes to you, Jim!

WITH GRATITUDE...

Thank you to the following contributors to the Legacy Endowment Scholarship Fund since April 11, 2022*.

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—**as of June 26, 2022*

Help Build a Legacy

As you reflect on the opportunity to impact the future of the profession, pause and consider your gratitude for a rewarding career. No one gets there alone, and now is the time to partner with us by giving back. We encourage you to consider a stretch gift that you can pay in a three- to four-year pledge. One hundred percent of donations go to scholarships. Please confirm your commitment by November 2022. Contribute or make a multi-year pledge today at *mocpa.org/contribute*!

Your support of the accounting profession is sincerely appreciated.

Welcome!

The MOCPA network continues to grow!

The following members joined the society in March and April. Please take time to welcome them and invite them to participate in events and programs with you.

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June 2-3 | Lake of the Ozarks

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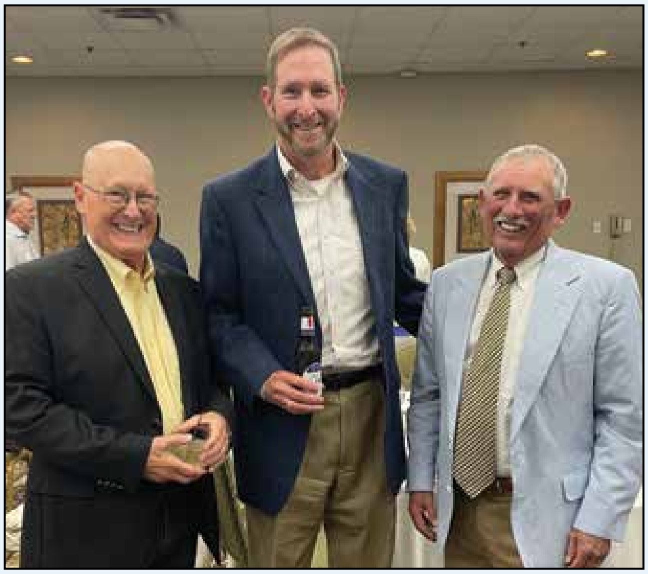

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Virtual: Aug. 18; TBD: Nov. 17

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540 Maryville Centre Drive,
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