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H S C P A

Hawaii Society of
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President's Message

By Dr. Frank T. Kudo



I wanted to take a break from writing about the accounting profession and started thinking about my passions in life. I started thinking about my passions in life. Aside from teaching accounting I have two other passions that really interest me. The first is playing jazz music, and the second is cooking. I know you must be disappointed that I didn't say consolidation under the equity method and tax research. Why am I bringing up passion or bliss? Well, I keep telling my students that they need to find their "passion" in life, and that will lead them down a path towards doing something they really love. The worst thing that can happen is finding yourself doing something in life you totally despise or have no interest in. Not only will it affect the quality of your work, but the days will seem to be getting longer and longer. So, how do you find your passion in life? Some of us find it very quickly, yet others never find it during their whole lifetime.

First, to discover your passion(s) you must look for it. You've got to continually ask yourself what really excites you and drives and motivates you to discover more. Young people have a difficult time discovering their passions in life because they first, have relatively fewer experiences than adults, and second, have too many distractions in their lives. I remember taking my daughter to college and asking her what her passion in life was. She said, "throwing parties." I remember telling her that throwing a party really wasn't a profession or career. At least the last time I checked.

So, this week I had lunch with a former graduate of the University of Hawaii – West Oahu, and after graduating, he has been working for the last three years in industry. My friend set this lunch up because he wanted me to meet him as he was his mentor during his high school years. You see, the student was

clueless as to what direction he would enter, he was carefree, loved to play around and was the class clown at Kamehameha Schools. One day he decides to enter a robotics competition at his school where he meets my friend. My friend was an advisor to his team and an electrical engineer. He recognized that this kid had potential, but no one ever gave him any guidance. My friend became a mentor to him and provided that guidance. Today, he is gainfully employed as a Cyber Analyst working for a firm that is contracted with the Department of Defense. He totally loves his job. Perhaps mentoring is one way we all can help young people to develop their passion for accounting.

I leave you with a simple-to-cook (45 minutes, serves 4) and wonderfully delicious recipe from the Hunan Province in China. It is a Sichuan dish which is spicy, and served with white rice is a great weeknight dinner.

Sichuan Stir-Fried Cumin Beef

Ingredients:

- 1 T. water
- ¼ tsp. baking soda
- 1 lb. flank steak, trimmed and cut into 2" wide strips, sliced across grain ¼" thick
- 4 garlic cloves
- 1 T. grated fresh ginger
- 1 T. cumin seeds that are roughly grounded in need to use molasses)Pestle and mortar
- 2 tsp. Sichuan chili powder (use less if you prefer less spicy) or Korean red pepper flakes
- ½ tsp. table salt
- 1 T. Shaoxing wine or dry sherry
- 1 1/4 tsp of Sichuan Peppercorn Powder (use less if you don't like numbing)
- 2 tsp. molasses
- 1 T. shoyu (dark is best then you don't need to use molasses)
- ½ tsp. cornstarch
- ¼ c. vegetable oil
- ½ small onion, sliced thin
- 2 T. coarsely chopped fresh cilantro

Use a 14" wok if you have one or a 12" non-stick skillet. The cumin seeds crushed is the way to go. Ground cumin can be used but does not give off the aroma and flavor of cumin seeds. Sichuan peppercorns are often used in Sichuan cooking, it numbs the lips and stimulates the tongue for better tasting. Use less as you may not enjoy your lips going numb. Serve with white rice and baby bok choy as side dishes. You may also use other vegetables when cooking such as thinly-sliced red bell pepper, sliced green onions, mushrooms, etc.

Instructions:

- Combine water and baking soda in a medium bowl. Add thinly sliced beef and toss to coat. Let sit at room temperature for 5 minutes. This will make the beef very soft and tender.
- While the beef is resting, combine garlic and ginger in a small bowl. Combine crushed cumin seeds, chili powder, peppercorns, and ¼ teaspoon salt in second small bowl. Add Shaoxing wine, soy sauce, molasses (if you don't use dark shoyu), cornstarch, and remaining ¼ teaspoon salt to beef mixture. Toss until well combined.
- Heat 1 tablespoon oil in wok over medium high heat until just smoking. Add half of beef mixture and increase heat to high. Using tongs, toss the beef slowly but constantly until exuded juices have evaporated and the meat begins to sizzle, 2 to 6 minutes. Transfer to bowl. Repeat with 1 tablespoon oil and remaining beef mixture.
- Heat remaining 2 tablespoons oil in now empty wok over medium heat until shimmering. Add garlic mixture (oil will splatter) and cook, stirring constantly, until fragrant, 15 to 30 seconds. Add onion (other vegetables if you use) and cook, tossing slowly but constantly with tongs, until onion begins to soften, 1 to 2 minutes. Return beef to wok and toss to combine. Sprinkle cumin mixture over beef and toss until onion takes on a pale orange color. Transfer to serving platter, sprinkle with cilantro, and serve immediately.

TAX FOUNDATION OF HAWAII

Hawaii's Watchdog on Taxes & Government

By Tom Yamachika



If you're not already a supporter of the Tax Foundation of Hawaii (TFH), it's never too late. TFH is the 'watchdog' for Hawaii taxpayers and keeps us informed of what the government is doing with taxpayers' money. To support TFH's mission, [please donate here.](#)

Protest Payments



One of the worst kept secrets in Hawaii law is that there is a statute allowing for payments under protest.

The good news is that it provides a basis for the courts to get involved if there is some question as to the legitimacy of any fee or tax imposed by any state agency (not just the Department of Taxation). The law was enacted in 1907, more than a century ago, and it has a few quirks surrounding it that can spell big problems for people who don't know about it and what it does.

High on the tough luck list is Captain Andy's Sailing. The good captain helmed a catamaran that was based in Port Allen on Kauai and gave commercial tours and fishing trips. One not-so-fine day, he learned that the Department of Land and Natural Resources was going to charge him 2% of his gross receipts for an Ocean Recreation Management Area permit to sail in the area. That didn't land very well because he was already paying 1.85% of his gross receipts to the State Department of Transportation as a commercial use fee. So, he decided to sue in federal court to have the DLNR permit and fee declared unconstitutional as an impermissible tonnage duty, and won in federal court. *Captain Andy's Sailing, Inc. v. Jobs*, 195 F. Supp. 2d 1157 (D. Haw. 2001).

However, the good captain couldn't sue the State or any of its agencies in federal court because of the Eleventh Amendment. So, he sued in state court to get back the money he

had been paying to DLNR while the litigation was ongoing – a little more than \$40,000.

And that is where he ran into problems. Why? Because lawsuits against the State for allegedly illegal taxes, fees, or charges must use the payment under protest mechanism if there is no law providing for an appeal. The way that mechanism works is that a person who has a disagreement with the State over the applicability or legality of a fee needs to pay that fee to the State with something in writing detailing the reasons why the fee is illegal. Then, within 30 days after paying the fee, the payor needs to sue in court. If the disputed payment is a tax, the payor sues in Tax Appeal Court. Otherwise, the payor sues in regular state court (Circuit Court for the \$40,000 amount at issue there). When that happens, the payee agency is supposed to set that money aside while the court figures out if the exaction is legal. The problem that the good Captain ran into is that his payments to DLNR were not accompanied by any kind of written protest. Which meant that the state court couldn't decide the issue of legality and DLNR got to keep the \$40,000. *Captain Andy's Sailing, Inc. v. Department of Land and Natural Resources*, 113 Haw. 184, 150 P.3d 833 (2006). Too bad, so sad!

It turns out that the payment under protest mechanism is one of three independent ways to get into court when you have a tax dispute. It can be used, for example, if the Department



of Taxation has sent out a final assessment of tax and the 30 days within which to appeal the assessment to court has come and gone. The good news is that the taxpayer can get into court even after missing the deadline. The bad news is that the taxpayer has to pay the tax in dispute.

And, last but not least, it is possible to blow the appeal by paying too early. There is a case, *Grace Business Development Corp. v. Kamikawa*, 92 Haw. 608, 994 P.2d 540 (2000), which says that it's too early, and the suit needs to be dismissed, unless the agency has made some kind of formal determination, such as a notice of assessment or a ruling, indicating that it has made up its mind about what to do about the taxpayer before it.

The moral of the story here is that there is a way to challenge payments made to state agencies that are thought to be illegal. But the law allowing that challenge has tricks and traps in it, so people attempting to use it should do so carefully.

Tom Yamachika is President of the Tax Foundation of Hawaii - the 'watchdog' that keeps an eye on Hawaii's taxes. Tom is also the owner of Aloha State Tax, a small law firm with emphasis on State taxes. Prior to going solo and the TFH, Tom was a principal with Accuity LLP where he managed the tax consulting practice, including quality and risk management and practice development.

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This year's 64th Annual Conference on November 8th will feature insightful discussions, innovative ideas and connect with peers. From modernizing accounting, to artificial intelligence and yes, ongoing corruption in Hawaii.

Powerful, leader, driving force, passionate about the profession, energetic – just some ways to describe **Carla McCall**, CPA, CGMA, Chair of the American Institute of CPAs (AICPA). The accounting profession continues to navigate the changing and challenging business environment. We've been resilient by seizing opportunities, while providing guidance to accelerate and lead the evolution of client services and business practices. In this professional issues update, Carla will share how the profession is accelerating and leading to grow services, connections and confidence while also keeping the profession attractive, prosperous and exciting for the next generation of CPAs and CGMAs.

We continue to hear of political corruption in Hawaii, very serious and undermines the public's trust in our system. **Alexander "Ali" Silvert** returns for a riveting discussion on criminal versus non-criminal corruption, ethical obligations of AG lawyers, and the pervasive problem of giving false testimony. And, of course, the failure of the Legislature to pass meaningful campaign finance reform. Will there be any political fallout from the New York

Times/Civil Beat expose? He'll keep you wanting to hear more! Also, pick up a copy of Ali's new revised edition of "The Mailbox Conspiracy" with a brand-new up-to-date epilogue, more photos and documents, and some new information.*

One of the Top 25 Thought Leaders in the profession, **Donny Shimamoto**, CPA, CITP, CGMA, will discuss how we can enhance accounting services using artificial intelligence (AI). There's a lot of hype around AI and how it will revolutionize the way we work. Some people have even said it will replace accountants. While this is still probably more than a few years off, there are some AI tools that are ready for accountants to adopt now. This session will look at the ways that AI can already be used in audit, tax, and finance. We'll also discuss the cybersecurity and privacy implications of AI and what you should be doing to mitigate those risks.

Timely updates, useful information, and amazing discussions for 7 hours of quality CPE, enough food to fill your belly, fun SWAG, happy hour and hella fun! Don't miss this event and register now!

Awesome Buffet



* [Order your book now and pick up at the Annual Conference. BOOKSTORE – HSCPA](#)

Great Speakers And Topics!



Carla McCall, CPA, CGMA, is Managing Partner of AAFCPAs, a preeminent, 300+ person CPA and consulting firm based in New England. She is Vice-

Chair of the Board of Directors of American Institute of Certified Public Accountants (AICPA). Carla was named one of the Most Powerful Women in the Accounting Profession in 2020-2021, 2022, and 2023 by the AICPA and CPA Practice Advisor Magazine.



Alexander "Ali" Silvert was raised in New York City and Vermont. After graduating from UCLA and driving a cab in New York, and a year of post-graduate

political science courses at New York University, he switched to Boston College Law School where he obtained his JD in 1984. In October of 2020, Ali retired as Federal Public Defender after 33 years. Ali is currently a lecturer at the University of Hawaii Richardson School of Law and runs his own private federal criminal law consulting firm in Hawaii.



Donny Shimamoto, CPA, CITP, CGMA, is the founder and managing director of IntrapriseTechKnowlogies LLC, a specialized CPA firm dedicated

to helping small businesses and middle market organizations leverage strategic technologies, proactively manage their business and technical risks, and enable balanced organizational growth, and development.



The Connection Between Client Experience and Employee Experience

By Jon Hubbard of Boomer Consulting, Inc.

Accounting firms have undergone enormous changes in recent years. Traditional approaches to serving clients are no longer sufficient to sustain growth and retain talent. Clients are looking for more from their trusted advisors, so they must adapt their business models. At the same time, talent leaders are grappling with talent attraction and retention issues. So, how can firms both do more and be more for their clients and deliver a better experience for employees?

If you think these two goals are at odds, they're not. The employee experience (EX) and client experience (CX) aren't in competition—they're intrinsically linked, and together, they can drive firm success.

Evolving the business model is necessary for growth

Firm leaders increasingly recognize that the strategies that got them to their current level of success won't suffice for future growth.

Automation, machine learning, and arti-

ficial intelligence are reshaping traditional tax and audit services. Clients expect more from their trusted advisors, leading firms to add consulting and advisory services to their offerings.

Embracing technology allows the firm to streamline transactional and compliance work and empowers professionals to become more forward-thinking advisors to their clients.

The talent crisis as a catalyst for change

The pandemic heightened a talent crisis, forcing firms to re-evaluate their organizational structures and cultures. With talent shortages impacting nearly every corner of the business world, employees voiced their need for supportive work environments.

Initially, firm leaders believed CX and EX were at odds. How could we deliver more value for clients while also giving employees what they need and want?

However, as firms started making changes in both areas, it became clear that a positive employee experience directly translates into a better client experience and vice versa.

Firms weren't losing talent because they served too many right-fit clients who valued and paid well for their services. The unsustainable business model—wrong-fit clients, unsustainable workloads, and underpriced services—fails to provide a work/life balance. The long hours and high-stress accountants have endured for years are no longer acceptable. As firms evolve their business models, they get better at attracting and retaining top talent.

Aligning the business evolution with employee and client needs

The evolution of your firm's business model must align with the needs of both employees and clients.

This alignment includes:

- **Working with right-fit clients.** Focus on engaging with clients who value your services and are willing to pay a premium for them. This approach helps employees build relationships with clients and work on meaningful projects, which improves job satisfaction.
- **Fewer clients, more services.** Reduce the number of clients you serve but deliver a more comprehensive

Continued on page 12

In Memory Of
Constance Coughlan
1950 - 2023

Our sincere regret at the loss of a colleague, friend and member of the HSCPA since 2002.

We wish to express our deepest sympathy to her family and friends.



Leadership Disconnect

By Giles Pearson, Accountants
Angie Grissom, Rainmaker Group



I remember reading a survey of Managing Partners that reported 85% of Managing Partners say they need younger leaders to step up, yet 93% of young leaders say Managing Partners won't invest in them.

Further, 100% of the Managing Partners say it will cost the firm significantly to replace an Emerging Leader and 89% of the Emerging Leaders say Managing Partners won't invest in travel to train them.

Accounting firm leaders constantly say they need quality people yet far too often they allow years to slip by without addressing the development needs of their team, beyond the mandatory technical CPE. It's a fairly common explanation that largely comes down to not being willing to invest the dollars or time to make it happen.

Somehow there is an expectation that people will join a firm, identify their

individual development needs, and then make the necessary investment in themselves in order to be a true asset for the firm. To be sure, there are a certain number of people who are willing to make that investment in themselves and these are the self-motivated, quality people who are your future leaders. However, it cannot be a one-way street. The firm must be willing to match a rising star's investment or risk the possibility that another firm will. Often, through a lack of initiative on the firm's part, the rising star ends up moving to another firm in order to find the type of development opportunity they need to progress their career.

In other cases, your firm may have a number of undiscovered stars who need someone to see their potential, provide encouragement, and set a career path

before them that allows their star to shine. Not every person you invest in will prove your intuition correct and some simply will not grow even when given the opportunity. A CEO once said to me "what if I invest in them and they leave". To that I simply respond, what if you don't invest in them and they stay?

After 18 years as a partner with a large public accounting firm, Giles Pearson founded Accountants to help those recruiting accountants make better hiring decisions. Accountants deliver the world's only online suite of annually updated and country-specific technical skills, ability and personality tests designed by and for accountants and bookkeepers.

Angie Grissom is the CEO of Rainmaker Group. Angie has a passion for working with accounting firm and professional firm Managing Partners, CEOs, firm leaders and professionals to position them for success through consulting, coaching and training programs.

Creating Engaging Content For Your Accounting Firm

In the current digital era, content marketing has emerged as a crucial instrument for accounting firms. Creating engaging content for your accounting firm is essential. Firms are looking to develop their online presence, gain trust, and draw in clients. Material marketing, as opposed to traditional marketing, is centered on producing useful and valuable material that speaks to the needs and interests of the target audience.

Content marketing is a distinctive opportunity for accounting firms to exhibit proficiency, disseminate professional insights, and exhibit thought leadership. Firms may establish themselves as important resources and trusted advisors in the accounting profession by continuously delivering high-quality information.

Understanding Your Audience

Content marketing success mainly depends on your ability to understand your audience's demands and preferences. Accounting organizations may obtain significant insights into their target client's demographics, psychographics, and pain points by conducting comprehensive market



research and creating buyer personas. This knowledge is the foundation for producing engaging, beneficial, and relevant material for the target audience.

Establishing Your Brand Voice and Message

Your accounting practice must have a distinctive brand personality and fundamental beliefs to stand out in a competitive market. Your brand may have a unique character that appeals to your target market if its values and ethos are stated clearly.

Consistency in brand voice across various content channels, such as blogs, social media, and videos, is crucial for creating a unified and cohesive brand image. A consistent brand voice ensures that your audience can easily recognize and connect with your firm's messaging, values, and identity.

Creating High-Quality Video Content

Creating high-quality video content offers a dynamic and engaging way for accounting firms to connect with their audience and convey complex concepts effectively. Here are some ideas for video content that accounting firms can consider:

Tutorials and How-To Videos

Create step-by-step tutorials that explain accounting principles, [bookkeeping](#), or tax filing procedures. These videos can

Hawaii Practices For Sale

Gross revenues shown: NEW \$375K Kauai Island, HI CPA; NEW \$250K Honolulu, HI CPA; \$815K Leeward-Central Oahu Area, HI CPA; NEW LISTINGS COMING SOON! For more information, please call 1-800-397-0249 or visit www.APS.net to see listing details and register for free email updates.

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provide valuable insights to your target audience and establish your firm as an authoritative source of information.

Develop how-to videos that guide viewers through everyday financial tasks, such as budgeting, expense tracking, or setting up economic goals. These videos can offer practical tips and solutions to usual challenges individuals or small businesses face.

Expert Interviews

Invite industry experts or thought leaders to provide insights and opinions on the latest accounting trends, taxation policies, or financial planning techniques. These interviews can offer a fresh perspective

and add value to your audience's knowledge base.

Conduct client case study interviews to demonstrate how your firm has successfully helped clients overcome financial challenges or achieve their goals. Highlighting real-life success stories can build credibility and trust in your firm's expertise.

Thought Leadership Pieces

Share your firm's perspectives on industry trends, regulatory changes, or emerging technologies using a video format. These thought leadership videos help position your firm as a trusted source of accounting insights and expertise.

Address frequently asked questions or misconceptions about accounting practices through video explanations. Clarifying common doubts can establish your firm as a dependable authority while offering valuable educational content for your audience.

Animated Infographics and Explainer Videos

Utilize animation and graphics to create visually appealing explainer videos that simplify complex accounting concepts, such as balance sheets, cash flow analysis, or tax implications. These videos can make intimidating topics more approach-

Continued on page 16



KO'ULA
Ward Village



#1503 **\$820,000**
1 BD, 1 BA **Intr Size:** 509 ft² / 47 m²
Lanai: 58 ft² / 5 m², **Prk:** 1
Views: Ocean & Park



WAIEA
Ward Village



#1203 **\$2,050,000**
1 BD, 2 BA **Intr Size:** 1,139 ft² / 106 m²
Lanai: 69 ft² / 6 m², **Prk:** 1
Views: Marina, Ocean, City, Coastline & Sunset

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On the Other Hand



By Ronald Heller, Attorney & CPA

Q: A friend told me that there was a Tax Court case in which a dentist claimed a deduction for the purchase price of gold coins (Krugerrands), explaining that he had melted them down and used the gold to make crowns, inlays, and bridgework. Is this for real, or is my friend pulling my leg?

A: It's for real. In *Cochran v. Commissioner*, T.C. Memo 1989-102, Dr. Cochran bought Krugerrands and used them to make dental gold. He used an alloy composed of one Krugerrand, four dimes, and one penny. He explained that the silver in the dimes added strength and color, and the copper and zinc in the penny also added strength.

The IRS argued that the Krugerrand alloy couldn't really have been used for dental

castings, since the alloy didn't contain palladium and iridium, which are normally included in gold alloys used for dental casting. The IRS's own expert witness, however, testified that an alloy made from one Krugerrand, four dimes, and one penny would be satisfactory and acceptable for certain types of dental use. Since Dr. Cochran only claimed that he used the Krugerrand alloy for those particular purposes, the Tax Court had no trouble believing that "petitioner did actually use the Krugerrand alloy and with unmitigated success."

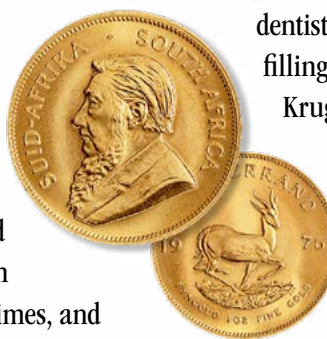
Legally, the question was whether the purchase of Krugerrands constituted an "ordinary and necessary" business

expense related to the practice of dentistry and the making of gold fillings. After finding that the Krugerrands were in fact used for dental gold, the court had no trouble resolving the legal question. "Ordinary" simply means that the expenditure "must bear a reasonably proximate relationship to the operation of the taxpayer's trade or business." To be "necessary," an expenditure must be "appropriate" or "helpful" to the taxpayer's trade or business. Applying these standards, the Court ruled that the purchase price of the Krugerrands qualified as an "ordinary and necessary" business deduction.

On the other hand, the Court sustained a partial disallowance of the deduction by the IRS, based on a lack of proof as to the exact number of Krugerrands melted down. The Court noted that the taxpayer normally bears the burden of proof. Although Dr. Cochran remembered purchasing 9 Krugerrands, the Court only found specific evidence of 7, and ruled that only the cost of the 7 was deductible.

The Court did not address the question of whether Dr. Cochran could deduct the cost of the four dimes and one penny.

A reprint of a classic OTOH column by Ron Heller.



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Peer Review Program

**Firms must have
new system in place by
December 15, 2025**

Quality Management Standards Implementation

The new standards were released in May 2022 with a three-year period for firms to implement. If you haven't started the process, you CANNOT wait until the last minute to implement the new QM system as it will take time. It MUST be tailored for the firm's specific needs (quality risk).

What's the risk if your firm is not in compliance?

Your firm will receive a modified or fail peer review reporting starting in 2026.

Resources are numerous and have been free for the past 3 years. Take advantage of the resources available from the [AICPA Quality Management](#) webpage. Among them are:

- a practice aid with an accompanying tool and a helpful tutorial on using it
- a checklist for firms
- links to all the standards and executive summaries
- a document that maps SQMS No. 1 to SQCS No. 8

In addition, [several articles](#) that appeared in the Journal of Accountancy are available.

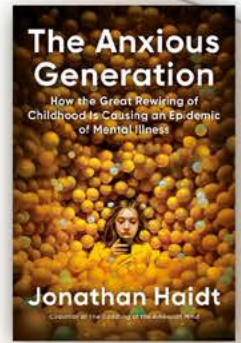
Firms will be expected to comply with the new standards and can expect a non-pass report if they do not adequately do so.



Norman's Book Review

"The Anxious Generation"

by Jonathan Haidt



If you have children or know people who have children, this is probably the most important book you will read on how to help children navigate the complex world of 24/7 online access with a smart phone. Unwittingly, many parents are giving their children unlimited access to online content when they are the most vulnerable and easily influenced.

Jonathan Haidt is the Thomas Cooley Professor of Ethical Leadership at New York University's Stern School of Business. His book is awesome, timely and critical reading. The following are some items from the book that will give you a flavor of the its content. It is a must-read because it will really make you think about if you are doing enough to protect your children from online negative influences. For everyone else, you will learn how you are being influenced by companies via their algorithms and sneaky tactics to get and keep your attention, change your mindset, spend more money and make it harder for you to build close relationships.

Are People Happier?

Social media. Smart phones. Instagram. TikTok. Likes. Personal Brand. and so on. These are words that were non-existent until the 2000's. The real game changers were the iPhone4 with a front-facing camera being introduced in 2010, Instagram starting in 2010, Facebook acquiring Instagram in 2012, and apps

development exploding after 2010.

With practically everyone owning a smart phone and having access to 24/7 news and information, including children less than five years of age, do you think people are happier and living a fuller life than before?



Take this simple test: Do you think having a smart phone and being online constantly makes you more or less likely to be depressed, have mental illness, experience anxiety or commit suicide? Unfortunately, the answer is more likely for every item. As noted in the book, from 2010 – 2020:

- Teen Depression (ages 12-17) – Increased 145% for girls, 161% for boys.
- Mental Illness Among College Students
 - o Anxiety increased 134%
 - o Depression increased 106%
 - o Anorexia increased 100%
 - o ADHD increased 72%
 - o Schizophrenia increased 67%
 - o Bipolar increased 57%
 - o Substance Abuse or Addiction increased 33%

- Anxiety
 - o Ages 18-25 – Increased 139%
 - o Ages 26-34 – Increased 103%
 - o Ages 35-49 – Increased 52%
 - o Ages 50+ – Decreased 8%
- Suicide (Ages 10-14) – Increased 167% for girls, 91% for boys.
- Emergency Room Visits for Self-Harm (Ages 10-14) – Increased 188% for girls, 48% for boys.

Do Tech Companies Protect Children Online?

Based on reading the book, the answer unfortunately is NO. Mental health issues are minimally researched and children have easy access to inappropriate websites such as pornography.

“Many companies strive to maximize “engagement” by using psychological tricks to keep young people clicking and clicking and clicking. They hook children during vulnerable developmental stages and rewire their brains.”

The Anxious Generation

The author calls the children born after 1995 the anxious generation because they are “overprotected in the real world and underprotected in the virtual world.”

Phone-Based Childhood

Like it or not, we have moved from a “play-based childhood” to a “phone-

based childhood.” This seismic shift started with Gen Z, people who were born after 1995. The author calls the period 2010 – 2015 the “Great Rewiring of Childhood,” when Gen Z started hitting puberty.

Social Media Platforms

Social media platforms are the most efficient conformity engines ever invented. They can shape an adolescent’s mental models of acceptable behavior in a matter of hours, whereas parents can struggle unsuccessfully for years to get their children to do something. Parents don’t have the power of conformity bias, so they are no match for the socializing power of social media. Additionally, social media platforms hijack social learning and drown out the culture of one’s family and local community while locking children’s eyes onto influencers of questionable value.

Children’s Best Learning Period

Children can learn multiple languages early, but this ability drops off sharply during the first few years of puberty. This is also true for cultural learning, especially when families move around the world.

Hence, the sensitive period for learning is roughly ages 9 -15. Lessons learned and identities formed in these years are likely to imprint or stick more than at other ages.

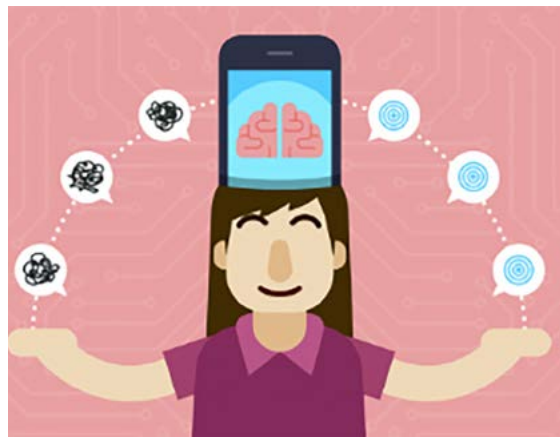
Children’s Brains

Children’s brains grow to 90% of full size by age 5, but takes a long time to configure themselves. That’s why the author warns we need to be careful about which kids have access to what products, at what ages, and on what devices. Unfettered

access to everything, everywhere, at any age has been a disaster, even if there are a few benefits.

Who Spends More Time on Social Media Platforms

Girls spend more time on social media platforms than boys, and per the author, they are on the platforms that are the worst for mental health. They prefer visually oriented platforms such as Instagram and TikTok. The following are the four reasons why girls are vulnerable.



1. Girls are more affected by visual social comparison and perfection.
2. Girls’ aggression is more relational.
3. Girls more easily share emotions and disorders.
4. Girls are more subject to predation and harassment.

Social Media Irony

The great irony of social media is the more you immerse yourself in it, the more lonely and depressed you become. This is true both at the individual level and at the collective level.

Quality Trumps Quantity

Per clinical psychologist Lisa Damour, “quality trumps quantity” with regards to friendships for both girls and boys. “The happiest kids aren’t the ones who have the

most friendships, but the ones who have strong, supportive friendships, even if that means having a single terrific friend.”

Race To The Bottom

The author’s phrase really caught my attention and refers to businesses trying to get the attention of children as young as 4 years old to hook them and keep them engaged on their site and products.

“There are three basic imperatives for businesses that earn revenue based on displaying ads alongside user-generated content: (1) get more users, (2) get users to spend more time using the app, and (3) get users to post and engage with more content, which attracts other users to the platform.”

All Is Not Lost

At the end of the book, the author covers what government, tech companies, schools and parents can do. For parents, he has helpful tips or the age groups 0-5, 6-13 and 13-18 years old.

Summary

Before reading the book, I never gave it much thought about how everyone is potentially being rewired in a negative way by 24/7 access to virtually anything via our smartphones. It definitely spooked me and made me think about being more careful in the future. Ultimately, however, the author states, “this book is about how to care about others more, build closer relationships, and reclaim human life for human beings in all generations.”

Stay tuned: Due to the important nature of this topic, we will follow up with Part 2 in the October KALA and discuss what we (parents, community) can do to better guide children.

Continued from page 11

able and more accessible for your audience to understand.

Convert static infographics into animated videos to enhance engagement and comprehension. Incorporating movement and narration can make financial statistics, market trends, or practice insights more captivating and digestible.

Tools to Help You Create Video Content

To ensure that your video content is accessible, engaging, and optimized for various platforms, consider utilizing the following tools:

Video Editor: Use editing software to polish your videos and add professional touches. Edit any unnecessary sections, improve audio quality, incorporate captions, and strategically add branding elements to enhance your video content's overall appeal and impact.

Video Compressor: Use a video compressor tool to reduce your videos' file size without compromising their quality. Compressed videos load faster, stream smoothly, and can be easily shared or embedded on different platforms.

Video Translation: Consider translating videos into different languages to expand your reach and cater to a broader audience.

Engaging with Your Audience

Active engagement with your audience through comments, feedback, and social media interactions is vital for fostering community and dialogue. Encouraging open discussions, responding to queries, and acknowledging feedback can build trust and credibility for your firm.

Timely and personalized responses to inquiries, comments, and messages demonstrate attentiveness and care for your audience.

Analyzing and Iterating

Use innovative analytics tools to monitor your content's effectiveness and influence KPIs, such as engagement, reach, and conversion rates. By examining these data points, accounting firms may obtain essential insights into their audience's behavior, tastes, and content consumption patterns.

Optimize your content strategy by using audience input and data-backed in-

sights. Accounting firms may consistently improve the efficacy and impact of their content marketing initiatives by iteratively modifying their approach in response to audience feedback and professional developments.

Conclusion

Get ready to elevate your accounting firm's online presence and engagement by putting the insights from this guide into action. Leverage the strategies outlined here to understand your audience, refine your brand voice, and create captivating video content. Embrace active engagement and continuous analysis to fine-tune your approach and position your firm as an authoritative and relatable voice in the profession. Start today and propel your firm's success through a compelling content marketing strategy that resonates with your audience and drives meaningful connections. Creating engaging content for your accounting firm is imperative.

At [K2 Enterprises](#), our commitment lies in providing unwavering support and expert instruction to CPAs. Explore the wealth of resources on our website, where you'll find valuable insights on selecting the most [suitable accounting software](#), equipping your firm with the right tools for the journey ahead. If you work in accounting or finance, [K2 Enterprises](#) provides continuing education programs to enhance your skills and credentials. Need help learning how to solve your practice's accounting technology needs and selecting the right software for [accounting](#) or [CPA Firms](#)? Visit us at [k2e.com](#), where we make sophisticated technology understandable to anyone through our [conferences](#), [seminars](#), or on-demand [courses](#).

*In Memory Of
Eric H. Yokote
1936 - 2024*

Our sincere regret at the loss of a colleague, friend and member of the HSCPA since 1967. We wish to express our deepest sympathy to his family and friends.

Continued from page 8

suite of services. This also supports deeper, more valuable relationships between clients and employees to improve client satisfaction and reduce employee burnout by allowing them to manage workloads more effectively.

- **Digital transformation.**

Implementing digital processes allows for greater flexibility. Employees can work from anywhere, anytime—a crucial part of attracting and retaining top talent. It also allows firms to expand their client base across the US.

Client Experience and Employee Experience in harmony

CX and EX aren't in a tug-of-war. They

march together, creating a reinforcing loop that drives firm success.

A study from Deloitte underscores this point. Its [research](#) found the following correlations between employee experience and client experience.

- Organizations with strong EX are 25% more profitable, on average, than companies with poor EX.
- Engaged employees are 4X more likely to stay in their jobs.
- Companies that focus on employee experience double customer satisfaction, as measured by their net promoter score.
- Organizations with highly engaged employees report a three-year revenue growth rate 2.3X greater than average.

By evolving your business model to prioritize both EX and CX, you can create a thriving work environment that attracts and retains top talent while delivering exceptional client service. This holistic approach is a blueprint for sustainable growth and success.

Jon Hubbard, Shareholder and Chief Growth Officer at Boomer Consulting helps accounting firm leaders find success in the areas of leadership, talent and growth. Jon is a facilitator for the Boomer Leadership Academy, Boomer Talent Circle, Boomer Marketing and Business Development Circle, and the Boomer Operations Circle. He also guides firms to grow and be more effective in the areas of client service, marketing and business development.

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We Need You ...

By Jill Ishimitsu

To Get Involved and Join the Y-CPA Committee!

The Y-CPAs is a subgroup of the HSCPA that provides opportunities for young CPAs and accountants to become involved in the profession, give back to the community, and connect with the sustaining value of being a CPA. All HSCPA members age 40 and under are automatically included in the Y-CPAs.

This Group is made up of volunteers that help plan events for the young professionals. Over the past few years, our events included speaker presentations, networking with other professionals, providing advice and encouraging students to become accountants, and community service projects.

We're calling on all young accounting professionals to get involved and invest in their careers, profession, and community while meeting other professionals and having fun in the process. A few of our upcoming events are listed below:

Building the Pipeline

Accounting Opportunities Experience – We'll dedicate a month of coordinating and making presentations at high schools to promote the benefits a career in accounting can provide.

Meet the Pros – This popular networking event with college students provides them insights to various career paths in accounting. Make a connection, and perhaps, meet your future new hires.

Other Opportunities – Various activities to engage with students at the high school and college levels throughout the year. These opportunities include job fairs, workshops, mock interviews, and mentoring.

Community Service

Junior Achievement in a Day – Volunteers are needed to teach financial literacy to 2nd graders. Teaching aids, supplies, and resources are provided by Junior Achievement.

Food Bank – Donate several hours of your time and join members of our community to pack food boxes for seniors at the Hawaii Foodbank.

Gift Wrap and Toy & Gift Card Drive for Foster Kids - Get in the holiday spirit and donate gifts and volunteer to wrap presents for Family Program Hawaii's Annual Holiday Party for families in foster care.

Beach Clean Up – Get to know accounting students as you give back to the community through our service day at Ala Moana Beach Park.



September



Networking

Hiking Activities – Join other adventurous hiking enthusiasts for another hike on September 14th at Makapu'u Point Lighthouse Trail. Get to know your fellow Y-CPAs while enjoying some sunshine and exercise.

Socials – Kick back and enjoy a drink or two to celebrate the end of busy season. Keep an eye out for other social events, including speaker presentations, that may be added during the year.

There are many events planned throughout the year. Find one or two that interest you to register for. Better yet, email info@hscpa.org and join the Y-CPA Committee to help us plan and coordinate these events. If you have other ideas for events, attend the next Committee meeting and share them with us!



September 6

Expanding-retirement-savings

REGISTER

September 11

Ethics-balancing-on-the-tightrope

REGISTER

September 12

The-mindful-cpa

REGISTER

September 17

Evaluating-fraud-risk

REGISTER

September 19

Preparing and reviewing client prepared financial statements

REGISTER

September 20

Advising the individual taxpayer with complex tax affairs

REGISTER

September 24

Advanced management and leadership essentials

REGISTER

September 24

Guide to Hawaii Death Taxation – Part 2

REGISTER

September 25

Navigating your client through the IRS appeals process

REGISTER

September 25

How to modernize your accounting tech stack with mature innovations

REGISTER

September 25

Implementing internal controls in quickbooks environments

REGISTER

September 26

Introduction to excel macros

REGISTER

September 26

Accounting data analytics

REGISTER

September 26

Limited liability companies losses liquidations terminations continuations and sales

REGISTER

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