



IN THIS ISSUE

- 2 Message from the President
- 4 Message from the CEO
- 9 Legislative Update
- 11 New Tax Laws Will Likely Make Settlement More Difficult for Couples Getting a Divorce
- 13 Cost Segregation: A CPA's Most Treasured Value-Add for Clients & Prospects
- 15 IRS Independent Contractor Checklist
- 19 Member Minutes
- 20 Welcome New Members
- 21 The Alliance of Regional Development Corporations Can Assist Your Clients Finance Success Planning
- 24 DOL Says Some Gig Economy Workers are Independent Contractors
- 26 Young Professionals Update

Congratulations to NH's Newest Certified Public Accountants!



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Adam Lord, CPA, CNAP

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Garrett B. Paolilli, CPA

Catherine Tindall, CPA

Jeffrey Trombley, CPA

The New Hampshire Society of CPAs (NHSCPA) held their Annual Meeting and CPA Inauguration at the Manchester Country Club on Tuesday, May 7th. The event hosted nearly 200 CPAs, dignitaries, business professionals, and students. The NHSCPA 2019-2020 Board President, Edward C. David, CPA, Owner of Edward C.

CONTINUED ON PAGE 6 >

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Edward C. David, CPA
2019-20 NHSCPA President

Welcome to our Spring/Summer 2019 newsletter. I am Ed David, current President of the NHSCPA Board of Directors and I want to thank you for this opportunity. I have been a practicing Public Accountant since May of 1986. After thirty-three years of providing tax services, accounting services, financial statement preparation and client advisory services, I have found that client interaction is what truly makes this job enjoyable. My choice to become a CPA has been rewarding on a personal level, in business, financially and as a member of the NH community which is why I wanted to give “something back” to the Society and this great profession that has given me so much.

Joel Olbricht, Robin Abbott and I attended the AICPA Annual Spring Council meeting, held this past May in Washington D.C. It was an interesting experience for me to have the chance to glimpse into the governance of the AICPA, which currently has about 657,000 members! A basic tenet of the meeting was that as CPAs, we need to continue to evolve. Along with changes in technology, artificial intelligence is now being used by large firms as part of their audit procedures. Smaller firms will need to look for inexpensive solutions in order to be able to provide this tool in their audit tool box. An interesting point was made that in 1990 there were about 2.6 million Internet users; that number is now closer to 4.4 billion. The world is changing, our clients are changing and we need to evolve to remain our client’s most trusted advisor. Robin and I also had the opportunity to have some very interesting meetings with Congressmen Pappas and Kuster’s Legislative offices. We discussed modernization of the IRS, IRS disaster relief, the fiscal state of the nation and the taxation of a Digital World Economy.

On a different note, as the calendar turns from June to July, many of us in Public Accounting are looking forward to finding some time to relax and have fun. In the past, this would typically happen in late April or early May but due to the changes in tax law, ongoing changes in accounting rules, advancement in technology, special projects and new clients, it feels more and more difficult to step away. However, we all need to recharge and remember that our number one client should be ourselves, our family and our business. So please, take the time, shut off your phone, don’t check your emails and go have fun. You deserve it!

CONTINUED ON PAGE 4 >

2019 EMERGING LEADERS' SUMMIT

Tuesday, August 6th

8am to 4:30pm
Institute of Politics at St. Anselm College
Manchester, NH

New Hampshire Society of CPAs, NH Bankers Association, NH Bar Association and the FPA of Northern New England present the 2019 Emerging Leaders' Summit! This event is designed to help financial and legal professionals expand their knowledge of tools and strategies to assist them on their path to being a true leader. This year's program will include presentations on self-branding, change leadership, tips for keeping new employees happy (without making your current staff feel undervalued), and so much more. Don't miss this amazing opportunity to network with your peers and gain the skills you need to reach your goals!

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From the President...

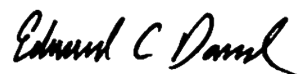
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Lastly, the Society continues to do a great job with reaching out to our sponsors, revamping our activities, enhancing networking opportunities, ongoing advocacy at the state and national level, and providing continuing professional education. In other words, our Society, relative to many others, is in great shape! I look forward to working with Robin, Amanda and Juliana to continue bringing our members the quality events and services we promise to provide. We are always looking for new, active, members for our board and our committees.

If you're interested, please do not hesitate to contact us.

Thank you again for the opportunity of leading the Society this year and serving as your Board President.

Sincerely,



Edward C. David
2019-2020 President
NH Society of CPAs



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P R O P E R T I E S

Greetings from the NHSCPA!



Robin Abbott, CEO

First and foremost, I want to welcome three new members to the NHACPA Board of Directors; all of whom were approved by our current Board at May's Annual Meeting. Kevin Kennedy of Maloney and Kennedy, PLLC, PC brings

a diverse background and expertise in legislative affairs and advocacy and also serves as the Co-Chair of our Tax and Legislative Committee. Rich Engler of Bigelow & Co., CPAs, PLLC, comes with a broad based expertise in individual and small business tax planning and has a long standing relationship with our Young Professionals Committee. Lastly, we welcome Jonathan Blais of Rust & Company, CPAs. John is well connected with our NH academic partners, is experienced in business succession planning strategies, and strongly supports our CPE instruction particularly as it related to local knowledge and expertise. We are thrilled to have three experienced professionals representing our members throughout the state and beyond.

I want to recognize our outgoing AICPA Council Member, Steve Burke of McLane Middleton for serving these past six years as our NH representative as well as countless hours in to support of the Society as a whole. It goes without saying that Steve always goes above and beyond support our association and its members. We are all truly blessed to benefit from his expertise and guidance. Replacing Steve will be Karl Heafield of Baker Newman Noyes who also Co-Chairs our Tax and Legislative Committee and has a wealth of knowledge on many legislative and tax issues.

We look forward to having Karl's experienced guidance and support lead NH with the AICPA's national efforts and industry advocacy efforts.

We have jumped into the summer season with great fervor and activities including a robust CPE calendar, committee workshops, and member networking events. Our Portsmouth YP networking event will take place at the end of June, Golf Clinic in July and one of our most successful summer events, the Emerging Leaders' Summit, is slated for August 6, which not only includes the NH Bar, and NH Bankers, but also welcomes the Financial Planning Association (FPA) of Northern New England. We have put together a very engaging agenda for the day and look forward to connecting our future leaders with their industry colleagues and professional business partners. If you are interested in participating in any of these events, please contact us for more information.

Once again, we could not build on our success without your membership and support, and are grateful for our corporate sponsors who have committed their resources to enhancing our member benefits and experiences. Please do consider them if you are looking for enhanced business solutions or when considering referrals for your clients.

Have a wonderful summer!

With continuous gratitude,

A handwritten signature in black ink, appearing to read 'R. Abbott'.

Robin Abbott, CEO
NH Society of CPAs

Annual Meeting and CPA Inauguration

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Ken Bishop & Robin Abbott



The 2019-2020 NHSCPA Board pictured with Ken Bishop



Bryan Bouchard & Michael Baker, CPA from SNHU



Lauren Rogers and Adam Lord, CPA



Guests from Baker Newman Noyes



Kerry Lekas, CPA and new CPA Lisa Bybee



Robin, Evan Stowell & Judy Emery-David



Ethics Pledge



Lori Liberty, Matt Sawyer, Lee Kubishta, Yvette Ladowski & Jeanne Gerard



Zach Nowlan, Recipient of the 2019 President's Award



Evan and Zach

Annual Meeting and CPA Inauguration

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David & Company CPAs, PLLC in Hampstead, NH, spoke on the Society's goal for the upcoming year including increasing student involvement, expanding our business partnerships with sponsors and other professional associations, and continuing to work with our Young Professionals to provide the support and opportunities they need to achieve their goals.

Zach Nowlan, supervisor at Melanson Health & chair of the NHSCPA YP committee was the recipient of the 2019 President's Award. It was presented to Zach by the NHSCPA's Immediate Past President, Evan Stowell, CPA of Leone, McDonnell & Roberts, PA. The President's Award recognizes the individual who has gone above-and-beyond to provide service and leadership through our Society over the past year. Robin Abbott, CEO of the NHSCPA, spoke of Zach saying, "Zach's energy and enthusiasm are infectious, as has been chronicled by his dedication to NHSCPA and the accounting profession as a whole. Over the past year, his efforts as Chair of the YP Committee have inspired increased attendance at YP events and committee meetings, developed new and exciting networking events such as the Annual Golf Clinic and Curling events, and been an integral part of our student outreach initiatives and young professional development programming. Thanks to these efforts, among many others, Zach has helped significantly to increase interest and YP engagement for the Society. Zach is the embodiment of what this award was created to acknowledge, and we look forward to his continued leadership within our organization."

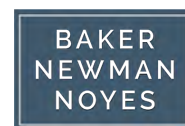
The event also hosted 14 recently licensed CPAs. Fred Briggs, CPA of the NH Board of Accountancy spoke briefly to congratulate them on their accomplishment, followed by the annual Ethics pledge administered by NH Deputy Secretary of State, David Scanlan. The meeting wrapped up with a keynote address by Ken Bishop, President & CEO of the National Association of State Boards of Accountancy, and closing remarks by Robin Abbott.

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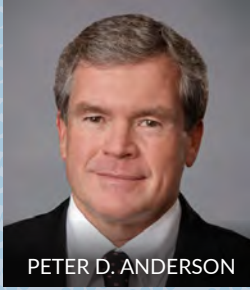


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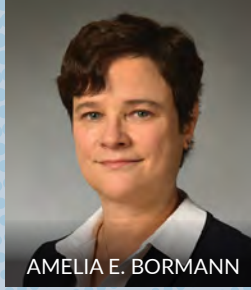


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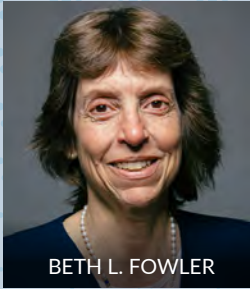
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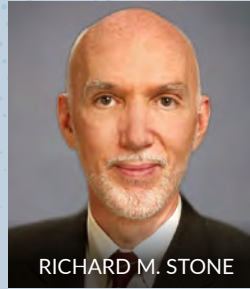
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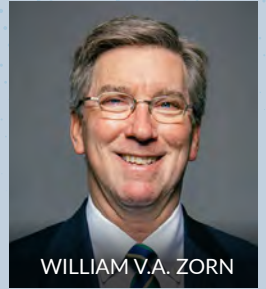
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Legislative Update

By Teresa Rosenberger, NHSCPA Legislative Consultant

Summer is here and the Legislature is winding up a very busy session and ready for a break...however, the budget is not completely finished so for those who are on the House and Senate Finance Committees as well as the Governor, they have a few more weeks to work before summer recess. The House has passed a budget and the Senate is finishing its work on the budget. The question left as we write this is will the House agree with the Senate's budget. It looks like the Governor will veto the House budget. The Senate is trying to draft a budget that the House will agree to and also will avoid a veto by the Governor. So the game is still on. Please note, since the game is still on, what we write today in this newsletter may be irrelevant by the time you read it. And new initiatives may arise. The budget continues to be a work in progress until the Governor signs it.

What is important for CPA's in the budget?

- Conformity with the Federal 2018 IRS code; the Senate has included conformity but it was not in the House budget.
- Market based sourcing; the Senate has it in its budget but not the House, however, the House Ways and Means Committee has passed SB 190 which is market based sourcing.
- Single sales factor sourcing is in the Senate budget but not the House budget.
- Freezing of the BET and BPT rate decreases at the 2018 level based.

What bill are likely to pass and head to to the Governor?

- HB 641- allowing municipalities to collect a fee from Airbnb rentals of up to 2% per occupancy per 24 hour period.
- SB190 – modifies the apportionment to NH of sales of a business organization with activities in other states and the apportionment of dividends of a business enterprise based on sales within NH.

- SB 242- Wayfair bill; Prohibits other states from requesting private consumer information from, conducting examinations of, or imposing sales and use tax collection obligations on sellers in NH, unless the other state provides notice to the NH Attorney General. It allows sellers to comply with any directive from other state taxing authorities, while preserving the seller's rights under the statute, if the seller determines that such compliance is in the seller's best interest. It also creates a Commission to monitor the changes in State and Federal legislation on tax collection from NH sellers.
- SB 270- allows a BPT tax credit for donations to technical and career schools not to exceed an aggregate of \$500,000 in any fiscal year.

What has not passed but could be back next year?

- HB 117- increasing Interest and Dividends exemption and decreasing the R&D credits against the BPT and BET
- HB653-rooms and meals tax for short term room rentals Airbnb
- HB 686- funding an adequate education with a 5% capital gains tax
- SB 223- increasing the minimum gross business income required to file BPT

What is dead?

- State tax on all payroll over Federal Social Security cap at Social Security rate of 6.2%
- Income tax
- Sales Tax

Our next newsletter will be able to give you the final analysis of what has happened with the budget and all the bills the Society has been following.

Until then, enjoy the summer.

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New Tax Laws Will Likely Make Settlement More Difficult for Couples Getting a Divorce

By Jacqueline Botchman and Beth Fowler

The 2017 changes to the Internal Revenue Code concerning divorce payments are in full swing. If you are considering divorce, you may want to seek advice from an attorney to understand how the changes might affect you.

I. Alimony

It has been widely publicized that for divorces finalized after Dec. 31, 2018, the revised Code makes alimony not deductible by the payor and not taxable to the recipient. It does so by removing alimony from Code §61(a) definition of gross income, deleting §71 that included alimony in gross income, and eliminating §215 that provided for the deduction of payments that qualified as alimony under §71.

The Code revision benefits the alimony recipient because he or she will no longer pay tax on alimony received. This means that the recipient will have the use of the full amount of each alimony payment. However, because alimony payments are no longer deductible from gross income, the paying spouse will likely want to pay less alimony. If the paying spouse

successfully argues for smaller alimony, the recipient spouse might end up with less money in hand despite no longer being taxed on the alimony received.

Because the recipient spouse is usually the lower wage earner, the tax savings to him or her will likely be less than the lost tax benefit to the payor spouse. This may make settlement more complicated by providing additional incentive to the higher earning spouse to minimize alimony. We may see a trend towards larger property payments with reduced alimony payments. The Code changes may also lead to solutions that are more creative. For example, the higher-income spouse might agree to payment of a larger percentage of his or her retirement accounts to “share” the tax burden more equitably.

When seeking a modification of alimony payments, pay careful attention to the language in the decree or agreement. If the modification states that the revised Code governs, the new treatment of alimony will apply. However, if the modification is silent, the old law may apply. If the modification provides that the old law still applies, then it may. Since the IRS has not yet issued regulations regarding the law that applies to modifications, uncertainty exists as to what law will be applied post-modification.

II. Standard Deduction and Exemption

The changes to the Code created higher standard deductions.

- \$12,000 for single filers (additional \$1,500 if over 65 years old);
- \$24,000 for joint filers; and
- \$18,000 for head of household.

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New Tax Laws...

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At the same time, the revised Code eliminates all personal exemptions, including those for dependents. Divorce decrees commonly address the ability of the divorcing spouses to claim a child as a dependent. While claiming a child no longer provides a taxpayer with an additional personal exemption, dependent status may still provide tax benefits. A taxpayer can only file under Head of Household status, with its increased standard deduction and lower tax rates, if the taxpayer provides a home to a person who qualifies as a dependent. Additionally, a taxpayer who has a dependent child may be able to claim a child tax credit for the child. Therefore, determining which parent can claim a child as a dependent will continue to be an important issue during divorce settlement negotiations.

Since regulations with regard to these revisions to the code have not yet issued exactly how they will impact alimony, negotiations are uncertain, but it is clear they will have an impact.

Jacqueline Botchman is a lawyer at McLane Middleton, Professional Association, in the Litigation Department and Vice Chair of the Family Law Practice Group.

Beth Fowler is counsel for the firm's Tax Department and regularly represents taxpayers before the Internal Revenue Services and other taxing agencies.

They can be reached by email at jacqueline.botchman@mclane.com or beth.fowler@mclane.com. This article provides general legal information, not legal advice. We recommend that you consult a lawyer for guidance specific to your particular situation.



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Cost Segregation: A CPA's Most Treasured Value-Add for Clients & Prospects

By Greg Bryant, Managing Partner of Bedford Cost Segregation

Cost Segregation Overview

Cost segregation is a valuable tax-planning strategy that accelerates depreciation, reduces tax liability and improves cash flow for commercial and residential rental property owners. This is a particularly good time to consider a Cost Segregation Study with the newly implemented bonus depreciation provisions in the Tax Cuts and Jobs Act of 2017. This legislation changed the tax code by making acquisitions eligible for 100% bonus depreciation. Previously, bonus depreciation only applied to newly constructed buildings (and renovations).

As a CPA, your clients depend on your expertise and financial guidance. When you take the time to educate your clients about the benefits of cost segregation, you add significant value. Cost segregation should be considered routine to all property owners, though many are still unaware of the benefits of accelerated depreciation and reclassifying assets from 27.5 or 39-years to shorter 5, 7, and 15-year class lives instead. Moreover, a well prepared study can serve as a reference document in the future to support Partial Asset Disposition deductions when your clients undertake upgrades and dispose of certain assets with remaining tax basis.

What is the benefit?

The benefits from a Cost Segregation Study vary depending on the details of your client's property. Results are heavily based on the facts and circumstances surrounding each property. Ranges of accelerated property are shown in the table here:

All Cost Segregation Firms are Not Created Alike

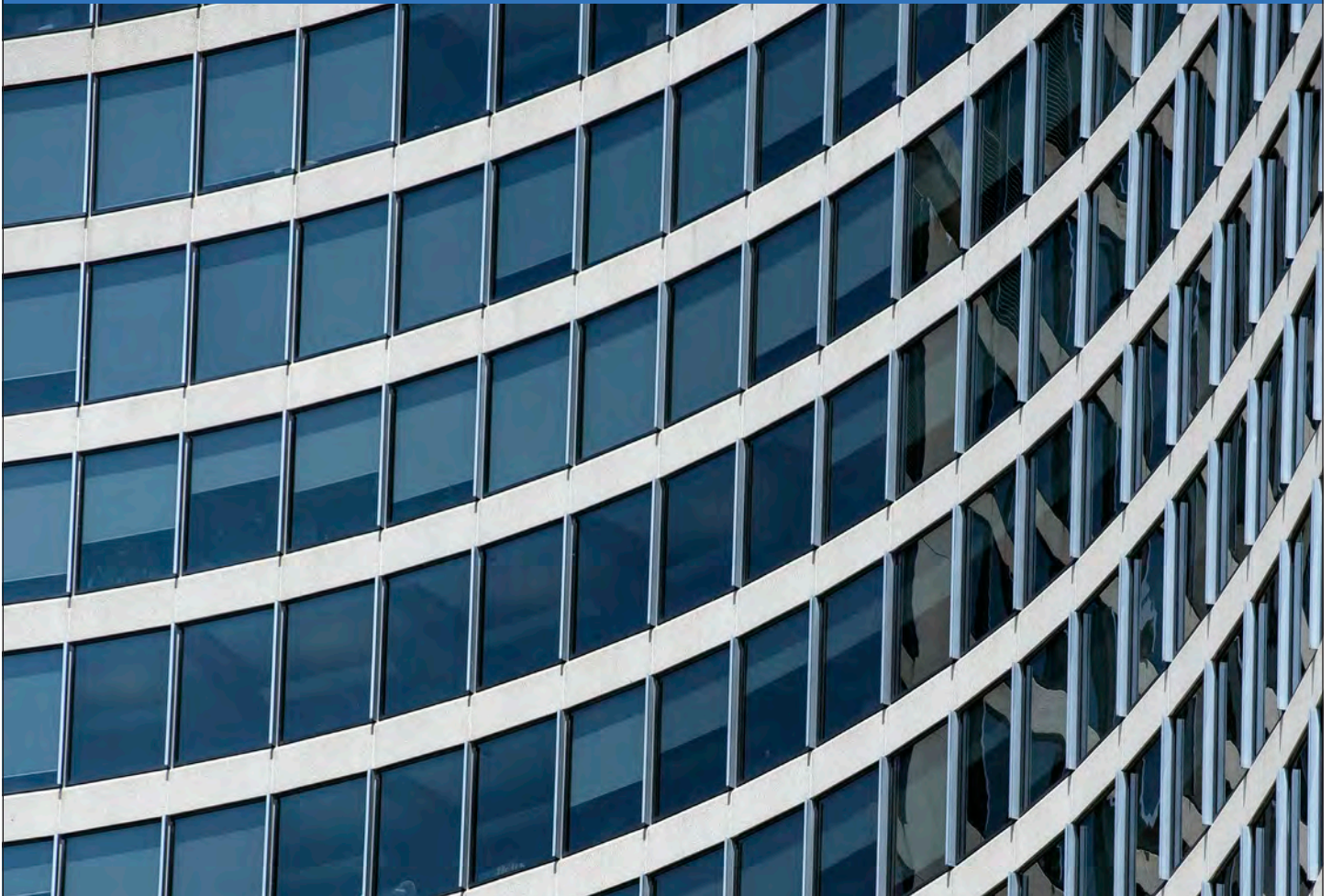
Over the past decade, Cost Segregation Studies have gained wide acceptance in the accounting arena. Many firms have entered this area of service and it can be somewhat daunting to select a qualified, professional firm that has the requisite expertise and qualifications to support you, your firm and your clients. Seek to work with American Society of Cost Segregation (ASCSP) www.ascsp.org Certified members. These members possess at least 7 years of direct cost segregation experience, must pass a very difficult exam and are governed by a code of ethics and technical standards. Of the 37 Certified members nationwide, Bedford is proud to have 7.

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Auto Dealership	30 - 60%
Health Care Facilities	20 - 50%
Hotels	20 - 40%
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IRS Independent Contractor Checklist

By Business Cents

Mistakenly classifying an employee as an Independent Contractor can result in significant fines and penalties.

The Internal Revenue Service (IRS) uses twenty factors to determine whether or not an employer has enough control over a worker in order for that individual to be classified as an employee.

Designed only as a guideline, this checklist can help determine whether you possess enough control to demonstrate an employer-employee relationship:

Profit or loss: Can the worker make a profit or suffer a loss as a result of the work, aside from the money earned from the project? *(This should involve real economic risk-not just the risk of not getting paid.)*

Investment: Does the worker have an investment in the equipment and facilities used to do the work? *(The greater the investment, the more likely Independent Contractor status.)*

Works for more than one firm: Does the person work for more than one company at a time? *(This tends to indicate Independent Contractor status, but is not conclusive since employees can also work for more than one employer.)*

Services offered to the general public: Does the worker offer services to the general public?

Instructions: Do you have the right to give the worker instructions about when, where and how to work? *(This shows control over the worker.)*

Training: Do you train the worker to do the job in a particular way? *(Independent Contractors are already trained.)*

Integration: Are the worker's services so important

to your business that they have become a necessary part of the business? *(This may show that the worker is subject to your control.)*

Services rendered personally: Must the worker provide the services personally, as opposed to delegating tasks to someone else? *(This indicates that you are interested in the methods employed, and not just the results.)*

Hiring assistants: Do you hire, supervise, and pay the worker's assistants? *(Independent Contractors hire and pay their own staff.)*

Continuing relationship: Is there an ongoing relationship between the worker and yourself?

(A relationship can be considered ongoing if services are performed frequently, but irregularly.)

Work hours: Do you set the worker's hours? *(Independent Contractors are masters of their own time.)*

Full-time work: Must the worker spend all of their time on your job? *(Independent Contractors choose when and where they will work.)*

Work done on premises: Must the individual work on your premises, or do you control the route or location where the work must be performed? *(Answering no doesn't by itself mean Independent Contractor status.)*

Sequence: Do you have the right to determine the order in which services are performed? *(This shows control over the worker.)*

Reports: Must the worker give you reports accounting for their actions? *(This may show lack of independence.)*

Pay Schedules. Do you pay the worker by hour, week,

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IRS Independent Contractor Checklist

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or month? *(Independent Contractors are generally paid by the job or commission, although by industry practice, some are paid by the hour.)*

Expenses: Do you pay the worker's business or travel costs? *(This tends to show control.)*

Tools and materials: Do you provide the worker with equipment, tools or materials? *(Independent Contractors generally supply the materials for the job and use their own tools and equipment.)*

Right to fire: Can you terminate the worker? *(An Independent Contractor cannot be fired without subjecting you to the risk of breach of contract lawsuit.)*

Worker's right to quit: Can the worker quit at any time, without incurring liability? *(An Independent Contractor has a legal obligation to complete the contract.)*

If you answer "yes" to all of the first four questions, you are likely dealing with an Independent Contractor. Answering "yes" to any question from numbers 5 through 20 means the worker more likely should be classified as your employee.

Note: The IRS recognizes that the importance of each factor depends on individual circumstances.

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MASTER OF SCIENCE IN PROFESSIONAL ACCOUNTANCY

ADMISSION REQUIREMENTS

- 3.4 Cumulative undergraduate GPA
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- Résumé/Curriculum Vitae
- Approval of program review committee
- An interview with program coordinator

GRADUATE TUITION AND FEES

Tuition rates and fees are subject to change

- \$700 per credit hour plus applicable student fee
- Wiley CPA Review program (SNHU pricing \$275 per part for 2 sections or \$1,000 for full program)

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All of the following items must be received before your application can be processed:

1. Completed application and undergraduate transcript
2. Résumé
3. \$40 application fee

RETURN COMPLETED ITEMS TO:

Office of Graduate Admissions
2500 North River Road
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PROGRAM CONTACT:

Professor Lisa Gerrish, MBA, CPA
l.gerrish@snhu.edu

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- Using Wiley CPA Review, students take 2 CPA Review courses—Financial Accounting and Reporting (FARS) and Auditing (AUD)—and sit for 2 parts of the CPA exam while in the program
- Most courses taught by full-time SNHU faculty
- Students actively engage in networking, job fairs, and other activities designed to help them find a position in public accounting
- Graduates of the program will be well positioned to pursue positions at CPA firms in MA, VT, NH, and beyond

CURRICULUM

ACC 640	Auditing
TAX 655	Federal Income of Corporations and Partnerships
ACC 680x	International Accounting
ACC 701	Advanced Topics in Financial Reporting I
ACC 685	Accounting for Nonprofit Entities
ACC 550	Cost Accounting
ACC 645	Advanced Auditing
ACC 730	Financial Reporting Review Course
ACC 700x	Seminar in Accounting Topics
ACC 702	Advanced Topics in Financial Reporting II
ACC 660x	Controllership
ACC 720	Auditing and Attestation Review Course
ACC 696	Situational Ethics in Accounting

Nathan Wechsler & Company, PA (NWC) is pleased to announce that **Oreste "Rusty" Mosca, CPA**, recently joined the Board of Directors of CATCH Neighborhood Housing. Mosca was also re-elected to serve as treasurer of the Board of Directors for the Capitol Center for the Arts. NWC was named as one of the "Top 100 Firms and Regional Leaders" of 2019 by *Accounting Today!*

Leone, McDonnell & Roberts, Professional Association is happy to announce that they relocated its Wolfeboro office from 645 South Main Street to 61 South Main Street.

Zach Nowlan, Chair of the NHSCPA Young Professionals Committee and Supervisor at **Melanson Heath**, was announced as the recipient of the NHSCPA's 2019 President's Award at the 2019 Annual Meeting and CPA Inauguration Reception.

NHSCPA Board Member, **Jennifer H. Elder**, along with Samuel F. Elder, announced the publication of their book, *Faster Disaster Recovery: A Business Owner's Guide to Developing a Business Continuity Plan*, 2019, Wiley Publishing. The book provides a 10-step approach for business owners on creating a disaster recovery plan from both natural and man-made events.



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Alexandra Meacham
Hanover, NH

Caitlin Garcia
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Judy Kajen
Newington, NH

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The Alliance of Regional Development Corporations Can Assist Your Clients Finance Success Planning

The New Hampshire Alliance of Regional Development Corporations is a consortium of ten non-profit economic development organizations established to support, enhance and promote economic development efforts and job creation specific to the individual needs of the various regions of the state. Members have access to resources to government funding sources, revolving loan pools, and gap financing.

The creative financing programs managed by the RDC's may be an ideal resource to supplement traditional bank financing as your client's companies sell to new owners. It is a tool that should be discussed as you advise on succession planning. RDC's have been successful in providing gap financing to owners selling to family members and external borrowers.

Businesses looking to obtain a CDBG Economic Development loans for job creation would work with their local RDC. They can guide you through the process, including obtaining municipal approval for an application and terms for repayment.

To learn more, contact the RDC representing your community.

The Capital Regional Development Corporation, CRDC, is the RDC responsible for business and development lending throughout Sullivan, Merrimack and eight towns in Hillsborough County (Goffstown,

Weare, New Boston, Bedford, Manchester, Mont Vernon, Amherst and Hollis).

CRDC manages small business and development loan funds capitalized by the US Small Business Administration, US Department of Agriculture, the US Environmental Protection Agency and State of New Hampshire Tax Credit programs. CRDC currently maintains loan portfolios to nearly 150 New Hampshire businesses and developers with outstanding loans balances that exceed \$35 million.

The Community Development Finance Authority

The Community Development Finance Authority (CDFA) was established by legislation ([RSA 162-L](#)) in 1983 to address the issues of affordable housing and economic opportunity for low and moderate income New Hampshire residents.

[CONTINUED ON PAGE 22 >](#)

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The Alliance of Regional Development...

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CDFA is an instrumentality of the state. That means CDFA is both a body politic and a nonprofit corporation.

CDFA has had a long and unique history of raising funds and providing creative financing to community and economic development projects and programs in New Hampshire. From the early history of being expected to raise funds by accepting donations and selling stocks; to legislation that was created and then terminated three years later that enabled CDFA the unique ability to grant state tax credits for community development projects; to new legislation and establishment of the Community Development Investment Program; to the creation of the New Hampshire Main Street Center; to administer the New Hampshire Community Development Block Grant Program (which deploys HUD CDBG funds

for economic development through the RDC's) ; and most recently the responsibility of creating and administering the Neighborhood Stabilization Program and the Better Buildings program.

In the early years, CDFA financed community development projects through an investment fund. Donations of foreclosed property from area banks made up a large amount of the investments. It was a very high concept program, but some major projects came together in those years. The authorization to issue tax credits expired in 1994. In July 1999, CDFA launched it's Tax Credit Program, enabling businesses to directly invest in these worthy projects and receive a 75% above-the-line tax credit.

Over the years, CDFA has played a role in financing some of the most important, most recognizable

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The Alliance of Regional Development...

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projects in New Hampshire, through its partnerships with the Regional Development Corporations, the following are just a small sample of successful projects:

- Capitol Center for the Arts
- Canterbury Shaker Village visitors center
- Mountain View Grand
- The Elliot at River's Edge
- Grappone Conference Center
- Strawberry Banke visitors center
- Keene Downtown Revitalization project
- US First
- Berlin state prison
- Children's Museum of NH
- Webster Place Treatment Center
- Concord Food Co-op

In addition to the state Tax Credit Program, CDFA administers the Community Development

Block Grant program, overseeing between \$7-10 million in grants to municipalities, RDC's and counties throughout New Hampshire.

In 1996, CDFA established the New Hampshire Main Street Center, which worked with communities that wished to maintain and revitalize their downtown areas. For more than ten years, NHMSC helped communities strengthen their Main Streets and village centers. After funding dried up, we closed NHMSC in 2007.

The Better Buildings program launched in 2010, our first program directed to consumers as well as businesses. Funded through an ARRA grant, Better Buildings will sunset in May 2013.

CDFA is committed to strengthening New Hampshire's communities. Explore our website for more, or feel free to give us a call about anything on your mind.

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DOL Says Some Gig Economy Workers are Independent Contractors

By Jennifer L. Parent



In an [opinion letter dated April 29, 2019](#), the U.S. Department of Labor (DOL) explained that some service providers working for a virtual marketplace company (VMC) are independent contractors under the Fair Labor Standards Act (FLSA). This opinion letter identifies the test the DOL is expected to use when considering the classification of workers in this growing gig-economy under federal law.

Service provider workers are also referred to as “gig,” “on-demand,” or “sharing-economy” workers. A gig economy is a marketplace where these workers take temporary positions for short-term engagements. Often using an App-based platform, the market involves these on-demand workers, the consumers who need a specific good or service, and technology platform companies or VCMs that connect the workers to the consumers. Examples of some VCMs are Etsy, Airbnb, eBay, and TaskRabbit.

The FLSA applies to “employees.” While the definition of employee — any individual whom an employer suffers, permits, or otherwise employs to work — is very broad, not all workers are employees. Some workers may be independent contractors and therefore outside of any FLSA requirements. In other words, the legal protections of minimum wage and overtime pay are not afforded to independent contractors. The recent growth in popularity of individuals entering into the gig-economy has put center-stage the question as to whether these new gig workers are employees or independent contractors. The DOL addressed this question through its renewed opinion letter process.

In its opinion letter FLSA 2019-6, the DOL redacted the identify of the VCM seeking the guidance. And

the DOL was noticeably careful to point out that it was considering the facts specific to the situation at hand. What we do know is that the VCM here helps consumers connect with service providers through a software platform. “The platform also allows its service providers to communicate with consumers—including through mobile app messaging or masked telephone calls—to exchange details about the requested service, including adjustments to the scope, price, or time.” Opportunity for repeat business is also provided. There is no interview of service providers or required training by the VCM. Onboarding is online and service providers can provide work to customers once the account is activated without any requirement for reviewing materials or physically reporting to any office. The VCM receives no services from the service providers.

In determining the classification of these particular workers, the DOL used its Economic-Realities Test.

The six factors under that test include:

- 1. The nature and degree of the potential employer’s control;**
- 2. The permanency of the worker’s relationship with the hiring business;**
- 3. The amount of the worker’s investment in the facilities, equipment or helpers;**
- 4. The amount of skill, initiative, judgment, or foresight required for the worker’s services;**
- 5. The worker’s opportunities for profit or loss; and**
- 6. The extent of integration of the worker’s services into the potential employer’s business.**

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DOL Says Some Gig Economy Workers are Independent Contractors

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The DOL went through and analyzed each of the factors above. Prior to doing so, it noted that other factors may also be relevant to the analysis and that “appropriate weight” for the listed factors would depend on the circumstances. The key factor came down to how much “control” the VCM had over the service provider worker in doing the job. In the end, the DOL found that the service providers who use this VCM are independent contractors.

With a growing on-demand market of workers, getting some direction from the DOL as to the legal standard it will use in reviewing these classification issues is helpful. These opinion letters, however, are not precedent for courts, although courts may defer to the DOL’s interpretation. More importantly, this is limited to federal law. Many states have their own

tests for determining independent contractor status and under those state tests the same facts may lead to a different result. For example, [Massachusetts](#) follows a more stringent test, making it difficult to classify workers other than as employees. In [New Hampshire](#), the NHDOL’s test for classification changed in 2012 to a seven-part test. Employers wanting to engage workers as independent contractors should be careful of this classification minefield and seek legal assistance.

Jennifer L. Parent is chair of the Litigation Department and a director of McLane Middleton, Professional Association and a past president of the New Hampshire Bar Association. She can be reached at jennifer.parent@mclane.com.

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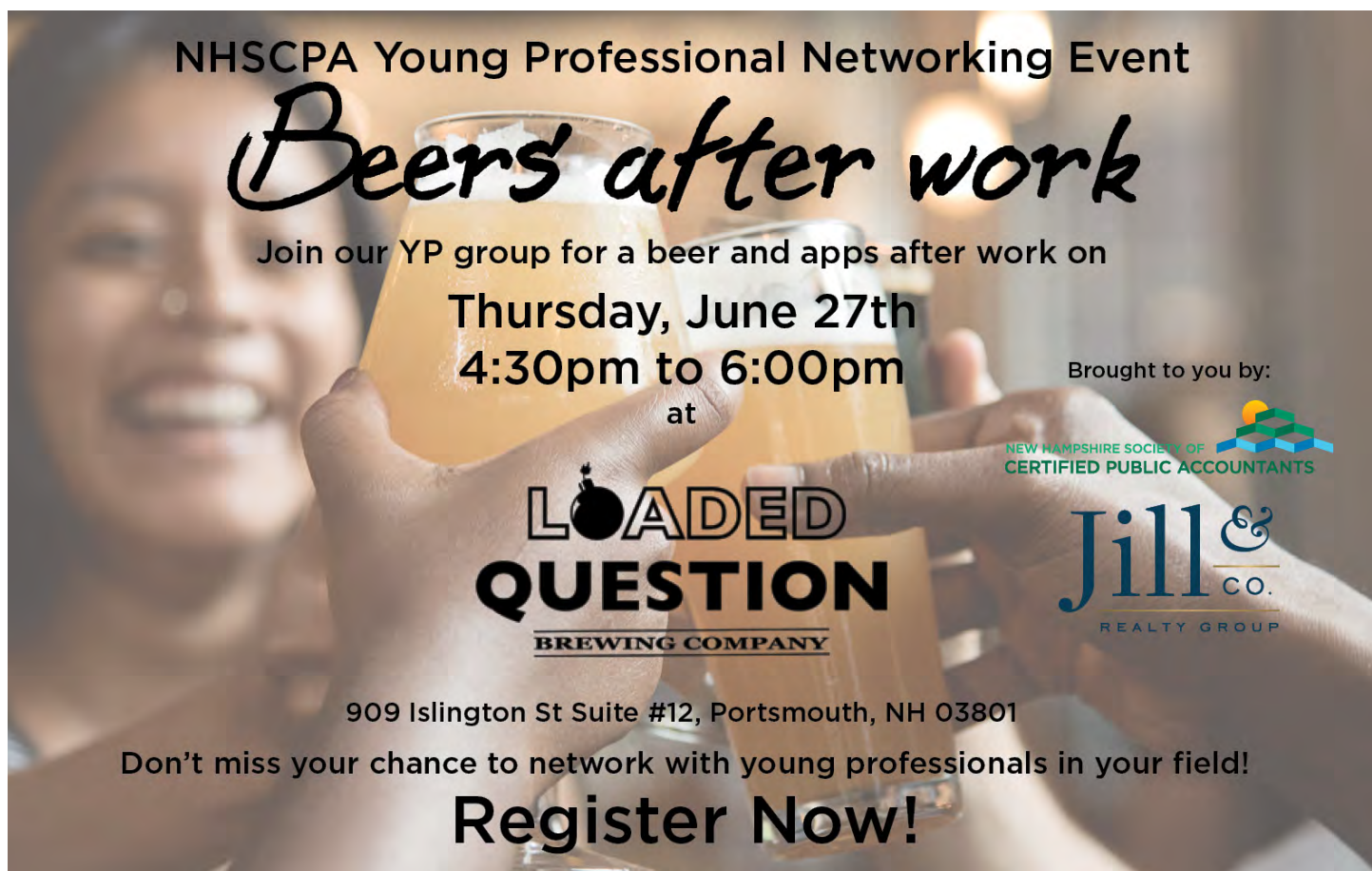
Spring Update

The NHSCPA Young Professionals Committee held its first meeting of the new year in May. We addressed several exciting initiatives that will be focused on this coming year. In the past few years the committee has focused on finding ways to **Engage, Inspire, and Lead**, young and aspiring CPA's who are excited to become more engaged in the accounting profession. The events planned this year have been carefully crafted to foster relationships with young professionals and prospective young professionals throughout the state while increasing the CPA Society's presence as a leading professional society.

In efforts to reach different parts of the state we have planned events in two areas that we have

not frequented in prior years (1) the Seacoast region and (2) the Greater-Concord region. Being in Manchester, the YP Committee meetings are often held at the Society's offices. While this location works for a number of our committee members, we understand that it is not conducive to the outreach that we are trying to achieve. As such, we will be hosting open committee meetings, which all young professionals in the region are welcome to attend as well as a networking event to occur subsequent to the meeting. We are pleased to see the entire committee's support for this idea and are looking forward to seeing new faces, hearing new ideas, and building new relationships with young professionals in each region.

[CONTINUED ON PAGE 27 >](#)



NHSCPA Young Professional Networking Event

Beers after work

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Thursday, June 27th
4:30pm to 6:00pm

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NHSCPA Young Professionals Spring Update

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For our Merrimack Valley Region young professionals, we are pleased to be bringing the Golf Clinic back for it's second year to be held at Nashua Country Club. This event was one of the most exciting events on the calendar last year and is a great way to learn how to swing a golf club from the great professionals at the Nashua Country Club. If interested and not currently registered please reach out to Juliana Summers, or your firm's Young Professionals Committee member – it may not be too late!

While these networking events are designed to be more casual and designed for young professionals to begin building their circle of influence, that is only one element of our committee.

We are pleased to announce that we are all very excited to continue our Mentorship Program, now entering its third year. This program is one of the best ways to provide real world experiences to sophomores, juniors, seniors, and graduate students who are looking for a 'leg up' on getting their dream job and becoming CPA's. If you know anyone interested, please encourage them to reach out and become a part of the program. As good as the career centers

are at the state's institutions for higher education, there are invaluable tips, resources, and guidance that can be learned from the young professionals of the CPA society. If interested in becoming a mentor, so long as you have three-plus years of experience, please feel free to reach out and become part of this amazing process – you will not be disappointed.

Lastly, we will be offering the Steps to Success CPE event for the second year on November 4th, 2019. This event received amazing (4.75 out of 5 stars on average) reviews from the 25+ attendees in its inaugural year. We received great feedback from our attendees and are happy to be bringing it back to provide a blueprint for the 'things we wish we knew' when we were beginning our careers. For the partners, managers, supervisors, or equivalent individuals who are reading this, you will want to make sure your senior/staff member attends this event.

As always, if you have any interest in becoming a part of your profession, have ideas you would like to share, or want to connect to your fellow YP's, please reach out. The Young Professionals Committee is a great way to have your voice heard and be able to make a true impact on the next generation. We look forward to hearing from you.

Sincerely,
Zach Nowlan
Chair of the NHSCPA Young Professionals Committee

.....
If you are a Young Professional, and are interested in joining the YP Committee, or attending a meeting, please contact Juliana Summers (jsummers@NHSCPA.org) for more information.

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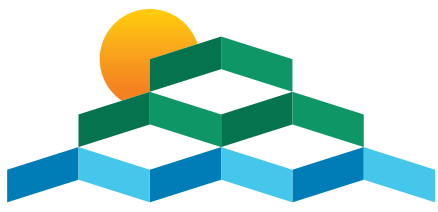
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SEPTEMBER 23, 2019

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9-Hole Golf Outing**

Stonebridge Country Club
Goffstown, NH

NOVEMBER 20, 2019

**37th NHSCPA/NH Bar Assoc.
Annual Tax Forum**

Grappone Center
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NOVEMBER 22, 2019

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5TH ANNUAL WOMEN'S GOLF TOURNAMENT

Monday, September 23, 2019
Stonebridge Country Club, Goffstown

Spend a fun-filled day connecting with women on and off the golf course. Start with a 9-hole golf tournament and end with a networking luncheon.



Save the Date!

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