

NEW HAMPSHIRE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

# CONNECTION

SPRING 2016

## IN THIS ISSUE

- 2** President's Message:  
Planning and Executing
- 3** NHSCPA Executive  
Committee and Board of  
Directors
- 4** Highlights from the  
2016 Annual Meeting
- 5** Reggae on the River
- 7** Generational Shift:  
A Post-Boomer Workforce
- 11** CPE Nudge
- 12** NHSCPA Young Professionals
- 14** Ethics Issues Associated  
With the Transfer of Client  
Files & Practice Continuation
- 17** Welcome New Members
- 19** The ACA's 30-Hour  
Threshold
- 21** When Is Simple...  
Too Simple?
- 23** Newfound Wealth: Thinking  
Through the Options
- 26** Security Breach Planning  
and Response
- 31** File Sharing Sanity:  
Who Do You Trust?
- 34** 2016 Legislative Report

## Welcome NHSCPA's New CEO



*Robin Abbott*

As the NH Society of CPAs moves into the new fiscal year, we are very pleased to let you know that the CEO Search Committee has been engaged for the past few months seeking candidates for the CEO position. Following extensive interviews, we are proud to announce that Robin Abbott will assume the position of CEO in June.

Many of our members may know Robin as the Senior Development and Marketing Professional of the New Hampshire Charitable Foundation. Robin has engaged with our NHSCPA members over the past

several years as a corporate sponsor of NHSCPA's events as well as a speaker at our "Not-for-Profit" conferences. Robin is very well-known and admired in the New Hampshire community.

Robin brings more than 20 years of experience and success in building and maintaining corporate and non-profit business growth and community partnerships. For the last 13 years, Robin has worked exclusively with statewide organizations to develop sustainable revenue, and deepen community relationships. She has extensive financial, fundraising and marketing experience and has demonstrated ability across several fields.

With a career in organizational development and marketing, Robin has created complex development and marketing plans which will enhance the membership growth of the NHSCPA. She has proven ability to collaborate and work with Boards of Directors and committee members for the purpose of organizational growth and continued sustainability. Robin has a long standing reputation of maintaining the highest standards of excellence in communication practices.

Robin is currently a member of the New Hampshire Estate Planning Council and member of the Planned Giving Group of New England. Please feel free to welcome Robin at [rabbott@nhscpa.org](mailto:rabbott@nhscpa.org)

**NHSCPA CONNECTION**

*A publication of the*

**New Hampshire Society of CPAs**

1750 Elm Street, Suite 403

Manchester, NH 03104

603.622.1999 • [www.NHSCPA.org](http://www.NHSCPA.org)

## OFFICERS

**Linda M. Engstrand, CPA**

*President*  
(603) 344-9729  
[lengstrand224@gmail.com](mailto:lengstrand224@gmail.com)

**Kendra J. Bell, CPA**

*President-Elect*  
(603) 788-4928  
[kendra.bell@craneandbellcpas.com](mailto:kendra.bell@craneandbellcpas.com)

**Evan Stowell, CPA**

*Secretary*  
(603) 569-1953  
[estowell@lmrpa.com](mailto:estowell@lmrpa.com)

**Edward C. David, CPA**

*Treasurer*  
(603) 893-0594  
[ed@edcpas.com](mailto:ed@edcpas.com)

**David E. Barradale, CPA, Esq.**

*Director*  
(603) 644-0275  
[dbarradale@bondpa.com](mailto:dbarradale@bondpa.com)

## BOARD OF DIRECTORS

**Robert S. Smalley, CPA**

*Immediate Past President*  
(603) 669-7337  
[rsmalley@berrydunn.com](mailto:rsmalley@berrydunn.com)

**Nina J. Chang, CPA, 2017**

[ninajchang@gmail.com](mailto:ninajchang@gmail.com)

**Jason E. Cole, Esq., CPA, 2019**

(603) 669-1000  
[jcole@devinemillimet.com](mailto:jcole@devinemillimet.com)

**Kelli D'Amore, CPA, 2019**

(603) 224-5357  
[kdamore@nathanwechsler.com](mailto:kdamore@nathanwechsler.com)

**Thomas E. Doyle, CPA, 2017**

(603) 436-7731  
[tdoyle@rockingham.com](mailto:tdoyle@rockingham.com)

**Jason D. Houston, CPA, 2019**

(603) 357-4882  
[jhouston@jgbco.com](mailto:jhouston@jgbco.com)

**William E. Howell, CPA, 2018**

(603) 232-7791  
[bill@howellvaluation.com](mailto:bill@howellvaluation.com)

**Michael J. McGuinness, CPA, 2017**

(603) 656-6160  
[mmcguinness@anselm.edu](mailto:mmcguinness@anselm.edu)

**Edward O'Reilly, CPA, 2018**

(603) 315-7360  
[eoreilly3@juno.com](mailto:eoreilly3@juno.com)

**Kerrin A. Rounds, CPA, 2019**

(603) 254-6152  
[kir557@gmail.com](mailto:kir557@gmail.com)

**Donna M. Wageling, CPA, 2018**

(603) 627-3838  
[donna@hrhcpa.com](mailto:donna@hrhcpa.com)

**Ryan T. Warren, CPA, 2019**

(603) 669-7337  
[rwarren@berrydunn.com](mailto:rwarren@berrydunn.com)

## EXECUTIVE OFFICE

**Marlene Gazda**

*CEO*  
[mgazda@nhscpa.org](mailto:mgazda@nhscpa.org)

**Robin Abbott**

*Incoming CEO*  
[rabbott@nhscpa.org](mailto:rabbott@nhscpa.org)

**Roberta Daly**

*CPE & Events Manager*  
[rdaly@nhscpa.org](mailto:rdaly@nhscpa.org)

**Linda Schaeffer**

*Admin*  
[lschaeffer@nhscpa.org](mailto:lschaeffer@nhscpa.org)

## Planning and Executing



**Linda M. Engstrand, CPA**  
2016-2017 NHSCPA President

As I begin my year as President of NHSCPA, I find myself eagerly looking forward to the opportunities we have to stimulate membership and campaign for our profession and its status within New Hampshire and beyond. I will strive to serve you well and would appreciate hearing your ideas and concerns.

One of my responsibilities to you and our organization is serving on the AICPA Council. This group of CPAs from every state and US territory meets regularly to sustain and advance the CPA credential and the accounting profession.

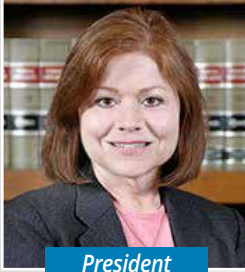
The AICPA Council meetings in March and May offered the following information and insights:

- CPA exam changes will be launched in 2017
  - ♦ More task-based simulations that are designed to demonstrate competence in use of higher-order cognitive skills and professional skepticism
  - ♦ Additional two hours of testing time
  - ♦ Future exams to be updated approximately every two years
- Promotion of the profession and the CPA pipeline
  - ♦ The growth rate continues to be a concern
  - ♦ The #1 driver in getting people to take the exam is having firms that actively and consistently promote taking the CPA exam
- Peer Review changes made to improve detection and accountability
- The AICPA continues to deal with state regulators in regard to firm mobility and the definition of attest services, as well as the fight against taxation of professional services
- Mergers and acquisitions of firms continue to increase in numbers
- The RIVIO Clearinghouse was launched in May 2016, which facilitates private company financial information exchanges
- The AICPA's Private Companies Practice Section (PCPS) is available to help firms keep up with changes and look for ways to meet clients' needs, including their Firm inMotion e-toolkit

We in New Hampshire are affected by the above issues and initiatives and will need to work to remain vibrant and successful.

I hope you will help champion our profession by actively participating in NHSCPA.

## 2016-2017 NHSCPA EXECUTIVE COMMITTEE OFFICERS



**President**

**Linda M. Engstrand, CPA**



**President-Elect**

**Kendra J. Bell, CPA**  
*Crane & Bell, PLLC*



**Treasurer**

**Evan Stowell, CPA**  
*Leone, McDonnell & Roberts, PA*



**Secretary**

**Edward C. David, CPA**  
*Edward C. David & Co, CPAs, PLLC*



**Director**

**David E. Barradale, CPA, Esq.**  
*Barradale, O'Connell, Newkirk  
& Dwyer, PA*

## 2016-2017 NHSCPA BOARD OF DIRECTORS



**Immediate Past President**

**Robert S. Smalley, CPA**  
*BerryDunn*



**Nina Chang, CPA**  
*SilverTech*



**Jason E. Cole, CPA, Esq.**  
*Devine, Millimet & Branch, PA*



**Kelli D'Amore, CPA**  
*Nathan Wechsler & Co, PA*



**Thomas E. Doyle, CPA**  
*Rockingham Electric Supply Company*



**Jason D. Houston, CPA**  
*John G. Burk & Assoc., CPAs, PC*



**William E. Howell, CPA**  
*Howell Valuation, LLC*



**Michael J. McGuinness, CPA**  
*Saint Anselm College*



**Edward O'Reilly**



**Kerrin A. Rounds, CPA**  
*NH Department of Revenue*



**Donna M. Wageling, CPA**  
*Howe, Riley & Howe, PLLC*



**Ryan T. Warren, CPA**  
*BerryDunn*



# Highlights from the 2016 Annual Meeting and Recognition Event

May 12, 2016 • Derryfield Country Club, Manchester, NH



Past Presidents



Bill Howell & Mike McGuinness



2015 Scholarship Recipients



Board Members



Ryan, Don & Carol



Lucia, Marlene & Kymberly



Larry, Kara & Mark

*Please join us in honoring the  
retirement of Marlene Gazda, CEO*

# REGGAE ON THE RIVER

**Wednesday, June 29, 2016**

**Boarding Time: 6:00 pm**

**Sail Time: 6:30–9:30 pm**

**MV Thomas Leighton  
Portsmouth Harbor  
Portsmouth, NH**

***\$40 per person***

***Island Attire is suggested!***

**YES, PLEASE REGISTER ME FOR THE REGGAE RIVER CRUISE!**

Name(s) \_\_\_\_\_

Company/Firm \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_

Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Email \_\_\_\_\_ Home Phone \_\_\_\_\_

Mail registration to:

**NHSCPA, 1750 Elm Street, Ste. 403, Manchester, NH 03104**

How  
can  
we  
help  
you?

Business owners rely on our  
Trust & Estate Team's experience  
in solving complex planning  
issues and our understanding  
of wealth transfer taxes.

[DevineMillimet.com/Succession](http://DevineMillimet.com/Succession)



DEVINE  
MILLIMET

ATTORNEYS AT LAW

MANCHESTER | CONCORD | PORTSMOUTH | BOSTON  
603-669-1000 | [DEVINEMILLIMET.COM](http://DEVINEMILLIMET.COM)



# Generational Shift: A Post-Boomer Workforce

## *A look at how the workforce is evolving*

By Bruce Tulgan

### The Numbers Problem: Workforce 2020

While there are always different people of different generations working side by side in the workplace, today there are as many as six different generations, depending on which demographic definitions one uses. The workforce is aging on one end of the spectrum and getting younger on the other. In the middle there is a gap, with the prime age workforce shrinking as an overall percentage of the workforce.

### Generations in the Workplace in 2016

The oldest, most experienced people in the workplace, “pre-Boomers,” those born before the post-WWII “Baby Boom” began in 1946, are still greater than 1 percent of the workforce. The Baby Boomers (born 1946-64) are 30 percent, Generation Xers (born 1965-77) are 27 percent, and The Millennial Generation is 42 percent.

Because both the Baby Boomers and the Millennials are such large generations with such long birth-year time spans by the broadest definitions, we have found it useful to split them each into first-wave and second-wave cohorts.

**The age bubble.** On the older end of the generational spectrum, the workforce is aging, just as the overall population is aging. This is particularly notable in Japan, most of Europe, and North America. In North America alone, 10,000 Baby Boomers have been turning 65

every single day since 2011. The Boomers are filling up an “age bubble” in the workforce such that there are many more people at or near the ordinary age range for retirement. The exodus of the first-wave Boomers from the workplace – postponed for several years by the economic crisis that began in 2008 – is now swift and steady. By 2020, Boomers will be less than 20 percent of the Western workforce; older Boomers (born before 1955) will be less than 6 percent. What is more, Boomers who do remain in the workforce will continue trending heavily toward “reinventing” retirement and late-career-pre-retirement: Working less than full-time, often partially telecommuting, and often working nonexclusively for more than one employer.

**The youth bubble.** At the same time, the fastest growing segment of the workforce is made up of those born 1990 and later, so there is a growing youth bubble on the younger end of the spectrum. The youth bubble is growing even faster in “younger population” regions of the world. But even in “older” North America, Europe, and Japan, the youth bubble in the workforce is rising much faster than in recent years because employers are once again hiring new young workers after several years of formal and informal hiring freezes resulting from the economic crisis. By 2020, second-wave Millennials (those born 1990-2000) will be greater than

[CONTINUED ON PAGE 8 >](#)

	2016
Pre-BB (pre-1946)	1%
BB First Wave (1946-1954)	13%
BB Second Wave (1955-1964)	17%
Generation X (1965-1977)	27%
Gen Y, First Wave Millennials (1978-1989)	28%
Gen Z, Second Wave Millennials (1990-2000)	14%
Post-Millennial (2000-)	0%

20 percent of the Western workforce and another 4 – 5 percent will be made up of post-Millennials born after the year 2000. And in most of the world, the youth bubble will be much, much larger. The rising global youth tide will bring to the workplace radically different norms, values, attitudes, expectations, and behavior.

**Workforce 2020: Remember 2020, 20, 20**  
By the year 2020, the Western workforce will be made up of less than 20 percent Baby Boomers and more than 20 percent second-wave Millennials, (plus another 4 to 5 percent of post-Millennials).

**The Rising Global Youth Tide**  
The youth bubble is much, much larger in Africa, Latin America, and much of Asia. Second-wave Millennials are already, in 2016, greater than 45 percent in India, Mexico, Brazil, Indonesia, and Vietnam; in Nigeria greater than 60 percent. By 2020, in these younger parts of the world, those born 1990 and later will be more than 60 percent of the workforce. Considering the increasing globalization of the workforce, one important feature of the growing youth bubble is that it will be increasingly global, with a much greater percentage of the new young global workforce coming from outside of North America, Europe, and Japan.

**Powerful Forces of History: An Era of Uncertainty and Change**  
The “Generational Shift” is no ordinary generation gap in the workplace. Because this is an era of profound

historical changes, generational difference today is not only an important diversity issue, but also a powerful lens through which to understand the changing labor market, the changing workforce, the changing workplace, the changing nature of employment, and even changes in the very nature of work.

We should not expect the new Millennial workforce to eventually “grow up and settle down” and start thinking and behaving more like those of previous generations. Rather, the “grown-ups” will find themselves thinking and behaving more and more like the Millennials. That’s because the second-wave Millennials have been shaped by the same historical forces of change driving the fundamental transformation of life and work for us all. The great “Generational Shift” is an epic turning point driven by profound historical trends that have been unfolding in plain sight for at least two decades.

**Globalization**  
We are all now capable of connecting and traveling to work across borders in every direction and combination. Unlike any other time in history, we can all look forward to a lifetime of interdependency and competition with a rising global youth tide from every corner of this ever-flattening world.

**Technology**  
The pace of technological advance today is unprecedented. Information. Computing. Communication. Transportation. Commerce. Entertainment. Food.

CONTINUED ON PAGE 9 >

	2016	2020
Pre-BB (pre-1946)	1%	0%
BB First Wave (1946-1954)	13%	5%
BB Second Wave (1955-1964)	17%	13%
Generation X (1965-1977)	27%	26%
Generation Y (1978-1989)	28%	27%
Generation Z (1990-2000)	14%	24%
Post-Millennial (2000-)	0%	5%



## Generational Shift

< CONTINUED FROM PAGE 8

Medicine. War. In every aspect of life, anything can become obsolete at any time – possibilities appear and disappear swiftly, radically, and often without warning.

### Institutional Insecurity

Ours is a world threatened by terrorism and environmental cataclysm, one in which the economy fluctuates wildly from boom to bust; governments sometimes shut down or run out of money; and great companies conquer or fail or merge or continually downsize, restructure, and reengineer. Institutions in every domain have been forced into a constant state of flux just in order to survive and succeed in this constantly changing world. We all know that we cannot anymore rely on institutions to be the anchors of our success and security.

### The Information Environment

We are all now forced to think, learn, and communicate in a never-ending ocean of information. Ours is an information environment defined by wireless internet ubiquity, wholesale technology integration, infinite content, and immediacy. We have infinite access to information and ideas and perspectives – unlimited words, images, and sounds.

### Human Diversity

In every dimension, the world is becoming more diverse and more integrated. Each generation is more diverse than the last. That's true in terms of geographical point of origin, ethnic heritage, ability/disability, age, language, lifestyle preference, sexual orientation, color, size, and every other way of categorizing people. Every single individual, with his/her own combination of background, traits, and characteristics, is his or her own unique diversity story.

### Virtual reality

We are all plugged in to an endless stream of content and in continuous dialogue – through social media-based chatting and sharing and gaming – forever mixing and matching and manipulating from an infinite array of sources to create and then project back out into the world our own ever-changing personal montage of information, knowledge, meaning, and selfhood.

---

This story first appeared in The Kentucky CPA Journal, Issue 1, 2016. Bruce Tulgan ([brucet@rainmakerthinking.com](mailto:brucet@rainmakerthinking.com)) is the founder and CEO of RainmakerThinking, Inc. ([www.rainmakerthinking.com](http://www.rainmakerthinking.com)). He is the author of numerous books, including *The 27 Challenges Managers Face*, *Not Everyone Gets a Trophy*, and *It's Okay to be the Boss*.

Reprinted with permission of the Kentucky Society of CPAs

## Online Learning

**Looking for alternatives to classroom style programming?  
Try one or more of the following self-study opportunities.**

The NHSCPA offers a variety of ways to meet your CPE requirements. In addition to the many conferences and seminars offered by the NHSCPA, we have partnered with a variety of webcast providers to bring you live, interactive webcasts. Courses range from two to eight credit hours and cover technical and nontechnical skills alike. Learn from the most experienced CPAs across the country, while earning your CPE from the comfort of your home or office.



# HOST QUICKBOOKS® RIGHT

Accountants and business owners trust  
Right Networks to take their business to the cloud.

## QuickBooks Hosting for Accountants & Bookkeepers

Get more done in less time with a hosted solution from Right Networks. Stop fighting commutes and technical issues and put the power of the cloud at your fingertips. Trusted by a global network of clients, Right Networks is the only solution endorsed by both Intuit and Thomson Reuters.



### Security & Data Integrity

Get 99.999% uptime when hosting with Right Networks. Your data and applications are safe and secure in our Tier IV data centers, where your data is backed up for 90 days and monitored 24x7.



### Anywhere, Anytime Access

Work together from anywhere using any device with an internet connection. Securely share files online eliminating the need for travel, email or monitoring and securing a VPN.



### All of Your Apps in the Cloud

There's more to your business than just QuickBooks. From time-tracking and invoicing, to taxes and reporting, choose from best-in-class apps to satisfy all your business needs.



### The Easiest Way to the Cloud

Select a plan that works best for your organization. Sign up, sign in, and get moving! It only takes a few moments to upload your data and we will take care of the rest.

# Right Networks®

The Right Way To The Cloud®

888-417-4448

[sales@rightnetworks.com](mailto:sales@rightnetworks.com)

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

## JUNE

DATE	COURSE TITLE	VENDOR	LEVEL				CPE CREDIT				
			Basic	Inter	Adv	Update	AA	MG	Tax	Ethics	Other
6/9/2016	Not for Profit Conference	NHSCPA				✓	8				
6/10/2016	How to Guide Your Clients Through Common Insurance Concerns AM SESSION	NHSCPA				✓					4
6/10/2016	Ethics: A Current Update PM SESSION	Richard DelGaudio, CPA				✓				4	
6/13/2016	Engagement Planning and Risk Assessment Activities	Surgent McCoy		✓		✓	8				
6/14/2016	Audits of 401(k) Plans: New Developments and Critical Issues for an Effective and Efficient Audit	Surgent McCoy	✓				8				
6/15-16/16	Accounting & Auditing Update Workshop	AICPA				✓	8				
6/17/2016	Auditing Employee Benefit Plans	AICPA				✓	8				
6/20/2016	Ethics in the Real World: Living Values for Today AM SESSION	Executive Education, Inc.				✓				4	
6/20/2016	Creating the Best Projections You Can: Insights and Techniques PM SESSION	Executive Education, Inc.		✓			8				
6/21/2016	The Strategic CFO: Big Picture Skills	Executive Education, Inc.		✓			8				
6/22/2016	Accounting & Auditing of NPOs - New Guide	Paul Koehler, CPA				✓	8				YB
6/23/2016	Governmental Accounting and Auditing Update	Paul Koehler, CPA				✓	8				YB
6/24/2016	OMB Guidance for Federal Awards	Paul Koehler, CPA				✓	8				YB
6/27/2016	Critical Tax Issues and Planning for Accounting Periods, Methods, Related Party Transactions, and Form 3115	Surgent McCoy		✓					8		
6/28/2016	Advanced Selected Issues for Trusts, Estates and Their Beneficiaries	Surgent McCoy			✓				8		
6/28/2016	New Hampshire Taxation for Businesses and Their Owners KEENE LOCATION	Devine, Millimet & Branch, PA				✓			8		
6/29/2016	Fiduciary Income Tax Returns - Form 1041 Workshop with Filled-In Forms	Surgent McCoy			✓				8		
6/30/2016	K1 Boot Camp for S Corporations and LLCs	Surgent McCoy				✓			8		



# CPE TRACKER

## Maintain a record of all your CPE credits!

View a complete CPE transcript at anytime during the period and print a final version to attach to the NH Board of Public Accountancy's official form. Call Roberta to walk you through the process at 603-622-1999.



## 2016-2017 Leadership Program

The Young Professionals Committee is pleased to announce the registration for the [2016-2017 NHSCPA Leadership Program](#). This distinguished program is designed to provide the rising stars in the public accounting and legal professions with an opportunity to refine their individual professional growth strategies. All applications will be carefully reviewed and participants will be chosen by a panel of representatives from the NHSCPA. One participant will be selected from each participating firm.

Participants will begin the program with a two-day, two-night retreat at the scenic and luxurious White Mountain Hotel and Resort in North Conway, NH. Several seminars will be offered for continuing professional education (CPE) credit. Topics to be covered over the course of the retreat include communications and public speaking, strategic leadership, and methods in organizational behavior. In addition to the traditional seminar format, the Leadership Program offers a unique format that allows the rising stars in the program to engage in an intimate discussion with a panel of several managing partners from firms across the state. A team building workshop with a focus on risk assessment and helping

others assess and overcome challenges will be held on the high ropes course at the Cranmore Mountain Adventure Park.

The Leadership Program also requires the participants to separately reconvene for Business and Political days in which the topics of the New Hampshire economy and legislative impact will be explored. All those involved in the program will have the exclusive opportunity to candidly meet with several prominent business leaders and political dignitaries.

All participants in the program will be recognized for their achievement and join a distinguished and growing alumni organization at the NHSCPA's Annual Meeting and Awards Dinner held in May 2017. Be sure not to let this opportunity slip by as the program is only offered every two years!

[Click here](#) for more information about this program, or contact Ryan Warren ([rwarren@berrydunn.com](mailto:rwarren@berrydunn.com)) or Roberta Daly ([rdaly@nhscpa.org](mailto:rdaly@nhscpa.org))



If you would like more information about the Young Professionals Committee or have an interest in joining, please contact Jason Beiswenger, CPA at [jason@hrhcpa.com](mailto:jason@hrhcpa.com) or Roberta Daly at [rdaly@nhscpa.org](mailto:rdaly@nhscpa.org).





2 EXECUTIVE PARK DRIVE

BEDFORD, NH 03110

TEL - 603.666.5799

NEIL TULLIS – NTULLIS@TPAINC.NET

NORMAN ROY – NROY@TPAINC.NET

## THIRD PARTY ADMINISTRATORS

Committed to providing comprehensive and cost efficient retirement plan solutions. TPA, Inc. offers an array of design and administrative services for the following types of Qualified Retirement Plan:

- Traditional 401(k) Plans
- Roth 401(k) Plans
- Comparability Plans
- Age-Weighted Plans
- Safe-Harbor 401(k) Plans
- Profit Sharing Plans
- 403(b) Plans
- Defined Benefit/Cash Balance Plans

TPA, Inc. has the depth of experience that translates to smooth and efficient handling of everything from plan design and installation to the processing of routine transactions. The following comprehensive installation services and documents, as applicable, are provided:

- Plan Design Meeting
- Prototype Document
- Individually Designed Document
- Summary Plan Description
- Adopting Resolution
- Form SS-4 to Establish a Trust ID Number
- Sample Asset Transfer and Plan Administrator Service Termination Letter
- Population of Retirement Plan Software with:
  - Current Plan Design Specifications
  - Current and Historical Trust Data
  - Current and Historical Participant Data
- Loan Program



*Retirement Plans  
Flexible Benefit Plans  
Administration  
Consulting*

# Ethics Issues Associated With the Transfer of Client Files and Practice Continuation

By Raymond N. Johnson

Consider the following real life stories:

## Story #1

A State Board of Accountancy received a phone call from a concerned citizen stating that a landlord was cleaning out an office, and was putting boxes with files on to the street to be taken away as garbage. This concerned citizen believed the boxes contained a variety of tax return information for various clients and was concerned about the privacy of the information. The Board of Accountancy subsequently learned that a sole practitioner decided to quit his or her practice, moved to another state, and engaged in another line of work. One day the sole practitioner just locked the door and left, without leaving any forwarding address. The landlord, left with unpaid rent, was cleaning out the office space so it could be rented again. By not protecting the files of his or her former clients, the CPA put significant confidential client information at risk.

## Story #2

This second story is one that is all too common. A State Board of Accountancy or a State Society of CPAs receives a phone call from a concerned widow. It seems her husband of 14 years was recently killed in an auto accident. While the widow was left with 2 young children, her husband planned ahead and had adequate life insurance for her. However, she had no idea about what to do with her husband's accounting records and files. She had her hands full raising two young children, and needed help closing her husband's office, contacting his former clients, and determining what to do with all of the files.

These two stories are common heard by State Boards of Accountancy around the country. Because of the prevalence of these issues, the AICPA Professional Ethics Executive Committee (PEEC) addressed some of these issues in a November 25, 2015 *Omnibus Exposure Draft*.

The following article will summarize what is covered, and not covered, by the proposed ethical rules included in the *Omnibus Exposure Draft*.

## Exposure Draft Comments Due May 16

Comments are due on the exposure draft by May 16, 2016. If the AICPA PEEC adopts these proposed rules, the Oregon Board of Accountancy will consider whether to also adopt these rules during its annual rule making process.

## Selling or Transferring All or Part of a Practice

The *Omnibus Exposure Draft* proposes that when a member of the AICPA sells or transfers all or part of a practice to another person, firm, or entity (successor firm), and the member will no longer retain ownership in, or control of, the practice, the member should take the following steps:

1. The member should notify each client, in writing, of the sale or transfer of the member's practice, and the member should obtain the client's consent prior to transferring its files to the successor firm. The *Omnibus Exposure Draft* also allows the member to include in the client notification a statement that the client's consent will be presumed if the client does not respond to the member selling or transferring his or her practice within 90 days.
2. With respect to files not transferred to the successor firm, the member should make arrangements to return any client records that the member is required to provide to a client under *record request rules* (Ethics Codification section 1.400.200), unless the member and client agree to some other arrangement.
3. If the member is unable to contact a client, then client files and records not transferred should be retained in a confidential manner, in accordance with the longer of the firm's record retention policy, or applicable legal or regulatory requirements. Note: The exposure

CONTINUED ON PAGE 15 >



## Ethics Issues...

< CONTINUED FROM PAGE 14

draft does not refer to the form of the client records. Irrespective of the form of the records (hard copy, in electronic form, or records stored in the cloud), client records held by the member should be maintained in a confidential manner.

### CLASSIFIED

**PEER REVIEW** – CPA firm in Tyngsboro, Mass., having extensive experience with all size firms concerning on and off-site peer reviews. Understand problems faced by local firms today. Maximize efficiency while maintaining high standard of quality. Competitive fixed rates. Contact Loiselle & Associates, PC at 978-649-2204

**PEER REVIEWS** – We have over 20 years of experience performing system and engagement reviews for firms of all sizes. We have a wide variety of industry experience and are members of the audit quality centers. Our experience results in a competent and economical review. We also offer consulting reviews and inspections. Call Tom Kirwin, Sullivan Bille PC, 600 Clark Road, Tewksbury MA 01876, (978) 970-2900 or [tkirwin@sullivanbillepc.com](mailto:tkirwin@sullivanbillepc.com)

**THINKING OF STARTING YOUR OWN FIRM?** Consider an arrangement with retirement minded Concord area CPA with established location, tax & accounting systems, and client base. Grow your own practice with potential merger/acquisition of existing clients. Respond to [concordnhcpa@gmail.com](mailto:concordnhcpa@gmail.com). All inquiries will be kept strictly confidential.

## Discontinuing a Practice

If a member discontinues his or her practice but does not sell or transfer the practice to a successor firm, the member should follow all of the following steps:

1. The member should notify each client in writing of the discontinuation of the practice.
2. The member should make arrangements to return any client records that the member is required to provide the client under the record request rules (Ethics Codification section 1.400.200), unless the member and client agree to some other arrangement.
3. If a member is unable to contact a client, then client files and records should be retained in a confidential manner and in accordance with the longer of the firm's record retention policy, or the applicable legal or regulatory requirements.

This interpretation is clearly designed to address the situation presented in Story #1. The proposed rule places an obligation on a sole practitioner to notify all clients that a practice is being discontinued; to return client records as appropriate; and to safeguard the confidentiality of any client information that is not returned to the client, when a practice is discontinued.

## Acquiring a Practice

In addition to requirements for a member who sells a practice, the Omnibus Exposure Draft also imposes an obligation on the successor firm acquiring a practice. A member who acquires all or part of a practice from another person, firm, or entity (predecessor firm) should be satisfied that all clients acquired from the predecessor firm have been notified of the acquisition and have consented to:

1. The successor's continuation of professional services,
2. The retention of any client files or records the successor firm retains.

In addition, a successor who obtains client files as a result of acquiring all or part of a predecessor firm's practice should protect confidentiality of information contained

CONTINUED ON PAGE 16 >

## Ethics Issues...

< CONTINUED FROM PAGE 15

in such files, in accordance with the rules on confidential client information (Ethics Codification section 1.700.100).

An acquiring firm (or any firm investigating a potential purchase of another firm) should also be aware that when the potential acquirer reviews a professional practice in conjunction with a prospective purchase or merger of all or part of a professional practice, such reviews may threaten a member's compliance with the confidential client information rule. To reduce the threat to an acceptable level, the acquiring firm must put sufficient safeguards in place to ensure that confidential client information is not disclosed to third parties in the course of the review. The potential acquiring firm who performs such a review should not use confidential information to their advantage or disclose any confidential client information that comes to their attention during the review. The selling firm might also consider having the potential acquirer sign a written confidential agreement with the seller to protect the confidentiality of information that might be disclosed during the review.

### Not Addressed in the Draft

The one circumstance that is not addressed in the *Omnibus Exposure Draft* is any requirement for a sole practitioner to make arrangements with another practitioner or firm to continue a practice if the sole practitioner subsequently dies, or is unable to serve his or her clients. This situation is particularly important for the accounting profession, as 35-55 percent of

CPAs in most states practice as sole practitioners. The AICPA Professional Ethics Executive Committee (PEEC) would prefer not to establish rules that might influence a financial arrangement that a sole practitioner might have with another practitioner. Further, the AICPA Private Companies Practice Section has put together a Practice Survival Kit with excellent resources for sole practitioners. This can be found at <http://tinyurl.com/Practice-Survival-Kit> or by doing an internet search for *AICPA Practice Survival Kit*.

The same way a sole practitioner plans to protect a surviving spouse with life insurance, it is also important for him or her to plan ahead and work out a practice continuation agreement with another practitioner or firm to assist a spouse or children in the event of death or a permanent disability that prevents the sole practitioner from continuing the practice. A sole practitioner might consider several options, such as

1. Entering into a one-on-one practice continuation agreement with another sole practitioner;
2. Joining a group agreement with several other practitioners.

Under a group agreement, when a group member dies or becomes disabled, his or her clients are asked to select a new CPA from among the surviving group members. Payment terms are agreed upon at the outset. There are some inherent risks with group agreements. For example, there is no single specific buyer identified for all of a sole practitioner's clients, so a client base may be "cherry picked" by the members of the group and some clients may not be purchased. There is also the risk that not everyone in the group will have the requisite background, training, and expertise to handle some of the client base. Additionally, there are potentially increased administrative issues associated with more than one buyer. However, having mentioned all of this, this type of an agreement is better than not having one at all.

Developing a practice continuation agreement is essential for sole practitioners. Having a sound practice continuation agreement both protects important client

## STAY CONNECTED

### Update Your Profile

An accurate membership record helps the NHSCPA maintain the highest level of customer service and ensures the accuracy of mailings and online news. You can update your record any-time by logging into your NHSCPA profile at [www.nhscpa.org](http://www.nhscpa.org). Click on the "Members" tab and "My Profile"

CONTINUED ON PAGE 17 >

## FELLOW MEMBERS (CPAs)

**Patricia Bevans**  
Henniker, NH

**Chad Bockus**  
Newton, NH

**Kristen Daisey**  
Pike, NH

**Kimberly Jarry**  
Merrimack, NH

**Jessica Parasco**  
Hampstead, NH

**Bruce Ruotsala**  
New Ipswich, NH

**George Tsiopras**  
Bow, NH

## AFFILIATE MEMBERS (CPAs)

**Debra Achramowicz**  
Concord, NH

## ASSOCIATE MEMBERS

**Scott Eagan**  
Concord, NH

**Madeeha Ilyas**  
Lebanon, NH

**Zach Nowlan**  
Waltham, MA

## STUDENT MEMBERS

**Lori Gordon**  
Rochester, NH

**Andrew Inman**  
Lebanon, NH

**Sarah Keiran**  
Rowley, MA

**Anthony Monetta**  
Rochester, NH

## Ethics Issues...

< CONTINUED FROM PAGE 16

records and assists a spouse or children in the event of a death or permanent disability. This is an important issue for the accounting profession to address.

Other professions have dealt with the issue of practice continuation and protection of client records through regulation. Various medical professions require licensed practitioners to take steps to ensure that the practitioner's client records are both available to the client in the event of the practitioner's death or incapacity and that they are kept in a confidential manner. For example, in the State of Oregon, licensed social workers must regularly name another licensed social worker as a custodian of record that the regulatory board can call on in the case of the death or incapacity of the regulated social worker. These regulations solely focus on a records custodian to ensure maintenance of health records confidentiality and to facilitate timely continuation of treatment with access to treatment records of the deceased or incapacitated practitioner. However, these regulations do not address practice continuation issues.

### The Exposure Draft

The *Omnibus Exposure Draft* addresses 75% of the issues associated with confidential client information and practice continuation. It places new responsibilities on CPAs in the event of discontinuing a practice, or in selling or purchasing a practice. However, if the profession, and in particular sole practitioners, do not adequately address these issues, and State Boards of Accountancy find that the public and confidential client information are not adequately protected by voluntary efforts, it is possible that State Boards could step in with their own regulation, similar to solutions that have been found in the medical profession, in which case a sole practitioner may have to designate another licensee to have the responsibility of a custodian of client records as part of a regular licensing process. The profession must step up and address all practice continuation issues. The key is for sole practitioners to take advantage of the many resources offered by the AICPA and actively plan for practice continuation.

---

Reprinted with permission from the April / May 2016 issue of *The Oregon Certified Public Accountant*, a publication of the Oregon Society of CPAs



# THE NEXUS FOR N.H. BUSINESS

**PETER T. PAUL**  
**COLLEGE OF BUSINESS**  
**AND ECONOMICS**

[paulcollege.unh.edu](http://paulcollege.unh.edu)

UNIVERSITY of NEW HAMPSHIRE

Where education is more than a matter of degree

# The ACA's 30-Hour Threshold

## *Federal courts consider whether employers can reduce employees' hours to avoid cost of health care*

By John E. Rich, Jr., Esq.

Although most employers are aware that the 2010 Affordable Care Act imposes penalties on employers with over 50 full-time employees, if coverage is not offered to full-time employees (30 hours per week), most are not aware that reducing employees' work hours to reduce health insurance costs could result in a federal lawsuit.

Although this may sound farfetched, cases are indeed moving through the federal court system involving employees who have challenged employers' decisions to reduce hours under the ACA 30-hour eligibility threshold. One case even involves an employee who claimed a federal law requires his employer to offer him full-time employment and health coverage.

The federal law at issue is Section 510 of the Employee Retirement Income Security Act of 1974 (ERISA), which prohibits interfering with employee benefits and protects employees' rights to present and future entitlements.

Although Section 510 was designed to prohibit employers from terminating employees to prevent their vesting in lifetime pension benefits, it is also applicable to health insurance benefits.

Unlike pension benefits, which, once earned, cannot be taken away, ERISA does not prevent an employer from changing the eligibility rules or even terminating health insurance coverage entirely. In addition, ACA regulations allow employers to establish 12-month measurement periods during which hours are measured before coverage must be offered to part-time employees.

Because any employment decision may impact the right to present or future benefits, in the past, courts have required ERISA 510 plaintiffs to show specific intent to interfere with benefits to prevail. In other words, courts have required the employee to demonstrate that

the employer made a conscious decision to interfere with the employee's attainment of benefits. Specific intent imposes a very high standard, especially when an employer may simply not have enough work for all employees to be full-time.

**Nevertheless, in a 2014 decision** that caught many benefit experts by surprise, an Ohio federal court refused to dismiss a lawsuit in which a part-time employee sued to become a full-time employee eligible for health insurance.

In that case, *Sanders v. Amerimed*, the plaintiff argued that the employer violated ERISA Section 510 by not hiring him into a full-time position. The employer was unsuccessful in its attempt to dismiss the case on the grounds that Mr. Sanders was never a participant in its group health plan, was not entitled to benefits as a part-time employee and, as such, did not have statutory standing to bring a claim.

The court ruled that ERISA's definition of participant and evidence by Mr. Sanders showed that he did have standing to sue, and the case will proceed to trial.

The decision was contrary to other cases in which courts have ruled that Section 510 does not require employers to make a part-time employee who is ineligible for benefits a full-time employee and, thereby, eligible for benefits.

Similarly, on Feb. 9, in *Marin v. Dave & Buster's*, a federal court in the Southern District of New York refused to dismiss an ERISA 510 complaint against Dave & Busters when it reduced its employees' full-time hours to avoid providing health insurance or paying an ACA penalty.

Although the case has not yet gone to trial, the facts provide an example of how an employer should not communicate these decisions.

CONTINUED ON PAGE 20 >



## The ACA's 30-Hour Threshold

< CONTINUED FROM PAGE 19

According to the plaintiff, the company's Times Square store managers told employees that compliance with the ACA would cost as much as \$2 million, and that to avoid the costs, the number of full-time employees would be reduced from more than 100 to 40.

The plaintiff received a letter informing her that her status was reduced to part-time and her full-time health insurance coverage would terminate on March 31, 2014. The plaintiff alleged that the reduction in her hours caused a loss of full-time status, a reduction in pay, and the loss of eligibility for medical and vision benefits.

**The court denied the motion** to dismiss, ruling that the complaint stated a plausible and legally sufficient claim for relief. The court cited other cases where employers discharging an employee for the purpose of depriving the employee of continued


participation in a company-provided group health plan was ruled to be a violation of ERISA Section 510.

Whether or not the plaintiffs in the Amerimed, Dave & Buster's and similar cases will ultimately prevail is unknown. However, the fact that the employers were unable to get ERISA Section 510 claims by part-time employees dismissed should be ample warning to employers to be cautious about both reducing hours and communicating those decisions if the result is that employees are subsequently ineligible for health insurance coverage.

---

This article was originally published on April 16 in the NH Business Review.

John E. Rich, Jr. is a director at McLane Middleton, Professional Association, who specializes in employee benefits, pension, ERISA and tax-related matters. He can be reached at [john.rich@mclane.com](mailto:john.rich@mclane.com) or (603) 628-1438.



# Enhanced Cash Flow Accelerated Depreciation Maximized Deductions

*Just a few of the benefits that we have delivered to our clients nationwide since 2002*



**BEDFORD**  
COST SEGREGATION  
[www.bedfordteam.com](http://www.bedfordteam.com)

17 Commerce Drive, Suite 7, Bedford, NH (603) 641.2600

Florida | Georgia | New York | Massachusetts | North Carolina | Washington | Kentucky

# When Is Simple...Too Simple?

By Norman A. Roy

I'm often asked questions like: "Is a Simple retirement plan the right plan for my company?" or "Am I leaving money on the table?" Unfortunately, many times my answer is, "Well...it depends."

Simply put (no pun intended), there are at least eight guidelines to consider when determining if a Simple retirement plan is the right fit for a client or if they should consider a traditional or Safe Harbor 401(k) plan. Simple plans can be a great option for small employers who are looking to provide employees with a responsible solution to help them save for retirement. *(Of course, anytime I can encourage employees and employers to take a proactive approach to saving for retirement, I will. But, I won't climb on that soapbox today!)*

Simple plans, SEP IRAs included, have limitations that are often never explained to employers. As a result, they don't fully understand the alternatives available to them. It's the nature of the beast. Simple plans are easy to set up and operate. So, why would an employer switch to another plan? The answer to that question can be summed up in one word: **flexibility**. Believe it or not, employee requests for additional features not offered by a Simple plan are frequently what triggers employers to explore the alternatives.

Here is a quick look at eight reasons employers might consider upgrading a Simple plan to a traditional or Safe Harbor 401(k) plan.

**1. Higher Plan Limits.** In a Simple plan, employees under age 50 can contribute \$12,500 and those 50 and over can contribute \$15,500 as indexed for 2016. In a 401(k) plan, the limits are higher at \$18,000 for those under age 50 and \$24,000 for those 50 and over.

**2. Roth Contributions.** These are not allowed with a Simple plan, but they are with a 401(k) plan with contributions up to \$18,000 permitted for those under age 50 and up to \$24,000 for those age 50 and over. *(It's interesting to note that certain high-end wage earners are limited—if not excluded—from making Roth IRA contributions. This isn't the case in a 401(k) plan where these same individuals are allowed to contribute to their 401(k) Roth accounts up to the lesser of the \$18,000 and \$24,000 limits noted above or the maximum allowed under the Actual Deferral Percentage test (ADP test). This feature of a 401(k) plan is often overlooked.)*

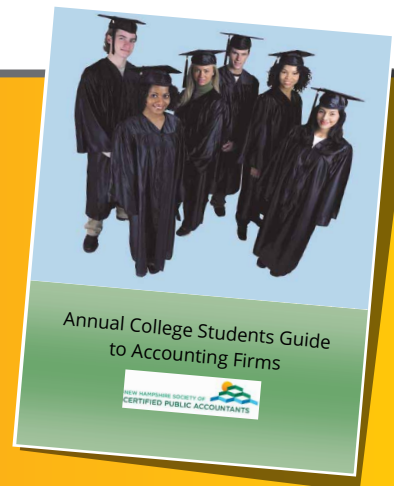
**3. Non-Uniformity.** Simple plans have a set formula for annual employer contributions. The allocation formula for a 401(k) plan allows employers to target contribution amounts for certain employees or groups. This provides them with the opportunity to customize individual contribution amounts as a reward for performance.

CONTINUED ON PAGE 22 >

## ANNUAL COLLEGE STUDENTS GUIDE TO ACCOUNTING FIRMS

*Looking for an internship? Searching for a job?*  
We're here to help you with both.

[\*\*CLICK HERE TO DOWNLOAD\*\*](#)





## When Is Simple...Too Simple?

< CONTINUED FROM PAGE 21

**4. Discretion.** 401(k) plans allow the employer to decide annually if they will contribute to the retirement plan and at what amount. With a Simple plan, the employer is locked into a set contribution level each year.

**5. Multiple Plans.** Many employers pair 401(k) plans with other retirement plans such as Cash Balance plans. Simple plans cannot be paired with any other retirement plan.

**6. Vesting.** Employer contributions to a Simple/SEP IRA are 100% vested and don't give employers looking to reward long-term employees the opportunity to add a vesting schedule.

**7. 10% Early Withdrawal Penalty.** Any time money is withdrawn from a retirement plan prior to age 59 1/2, a 10% penalty is applied. A 401(k) plan allows an exception for loans and hardship distributions, giving employees access to funds in case of an emergency.

**8. Zero Help.** You may think Simple plans have no compliance issues, but that is not accurate. Employers do experience compliance issues with Simple plans, and they are generally the direct result of not having a valued partner to consult with on the plan. Similar to working with a CPA firm, employers need to recognize the importance of having an experienced, knowledgeable partner in the complex field of qualified plans.

A Simple plan is a great retirement plan solution for many employers, but it's important to make an informed decision by understanding the parameters and limitations of various plan types so you can recommend the proper solution(s) for your clients while maintaining maximum flexibility. A properly-designed retirement plan will equate to higher participation that will ultimately lead to greater saving rates for employees.

It may be time to revisit some of your Simple plans to find out if Simple...is too simple.

---

Norman A. Roy is a design consultant for Third Party Administrators, Inc. (TPA, Inc.), a retirement plan services company located in Bedford that provides administrative services for 401(k), profit sharing and defined benefit plans as well as Section 125 administration. He has been in the retirement industry since 1991 and works to insure that his clients are receiving the optimum plan design while reducing the frustrations often associated with improper strategy. Norm can be contacted at [nroy@tpainc.net](mailto:nroy@tpainc.net) or 603.666.5799, ext. 107.

### NHSCPA VOLUNTEER OPPORTUNITIES!



#### Become active with the Society's volunteer opportunities.

By participating, you make an investment in the future of the profession as well as provide yourself with professional development and open the door to building relationships that can help you throughout your career. Put your membership to work for you.

Please take a look at the committee and task force offerings this year.

Decide where you would like to be involved and sign up today.

Join a committee  
today!

# Newfound Wealth: Thinking Through the Options

By Matt Hamel, *Eagle Point Investment Advisors, Inc.*

Whether you are the recipient of an inheritance, a windfall or a bonus, new wealth brings with it new issues. This checklist can help you identify common tax issues, as well as formulate plans for investing and gifting your newfound wealth.

## Tax Considerations

Here's a list of the different types of taxes that you may encounter as a recipient of sudden, substantial wealth. As you go through it, keep in mind that different states have different rules.

- Federal, state and local income taxes. While inheritances may not normally be counted as income, payments like buyouts, fees and winnings may be. Even though you may not need to formally pay any taxes due until you file, the IRS and many other jurisdictions require estimated tax payments if your tax liability for the year won't be covered by your tax withholdings.
- Transfer taxes. Real estate transfers often include a tax, and that tax is often paid by the buyer (or the recipient). Transfer taxes may also be assessed if you receive investment securities and valuable personal property such as fine art, jewelry or antiques.

- State inheritance taxes. The IRS and some states collect any estate tax due from the estate itself, before assets are distributed to beneficiaries. However, some states require beneficiaries to account for their share of a taxable estate and to settle their state tax liabilities individually.

- Ad valorem taxes. These taxes are assessed periodically on the value of an item in your possession rather than on a cash flow to you. For instance, some jurisdictions consider investment securities to be taxable personal property and levy taxes on them in the same way they do on real estate, automobiles and jewelry.

You should consider talking through these tax issues with a tax professional. You may even find that it helps to create a fund now to meet anticipated future tax liabilities.

## Put New Wealth to Good Use Today...

New money may open up new possibilities. Think about how any new priorities might fit with your current plans and goals. For instance:

- An influx of money may free up your current cash flow, allowing you to increase your contributions

CONTINUED ON PAGE 24 >

## GET LINKED TODAY!



**As a member of the NHSCPA, you can place a link to your firm's established website on the NHSCPA Firm's Page for a nominal fee.**

For more information, call Roberta at 603-622-1999 or email [rdaly@nhscpa.org](mailto:rdaly@nhscpa.org)

## Newfound Wealth

< CONTINUED FROM PAGE 23

to your employer-sponsored retirement savings program and/or to evaluate opportunities for an IRA. You also may find that an annuity might be beneficial.

- Make sure you're financially prepared for your children's future education needs. Consider making full use of 529 plans, Coverdell educational savings accounts and other education savings vehicles for all your children and/or grandchildren.
- Weigh the potential return you could earn from new wealth against the cost of carrying your current debt load. You may find it's time to speed up some debt repayments. Prime candidates may include credit cards and other consumer debt, student loans and home equity lines of credit.

### ...and Plan Ahead to Create Your Legacy

Consider how you can use your estate plan to extend the reach of your wealth. For instance:

- Could your new wealth help you to increase the amounts of your bequests to the people in your life you care about?
- Is it important for you to leave a legacy through good works? You may be able to do even more good by increasing your charitable efforts.
- Any trusts you might have created were probably built to make the most of the resources that you had at the time. You may find that your new wealth has changed your circumstances enough to justify rethinking your existing arrangements.

Last, but not least, did your new wealth come with any strings attached? If so, you may want to take the time to understand those special terms or conditions now. For instance, there could be limits or restrictions on how you can use the money or the items you inherited. You may be required to do something or avoid doing something in order to qualify. In addition, some bequests may depend on specific market events or other outside conditions.

To make sense of special conditions or for help with any other aspect of managing newfound wealth, contact your financial advisor or other trusted planning specialist.

---

This article was prepared by Wealth Management Systems Inc. The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. We suggest that you discuss your specific situation with a qualified tax or legal advisor.

## Share a Piece of NHSCPA.org



PLACE A BANNER AD TODAY!

NHSCPA.org features tile ads on six of our top-level pages. Space is limited to 7 banners, and advertisers have the opportunity to contract space for up to one year.

[CLICK HERE FOR MORE INFORMATION](#)

# No dream is **too big.**

# No idea is **too small.**

**Service Credit Union has  
loans that are the perfect  
fit for any business.**

Whether you are establishing a new office or expanding faster than you dreamed, we have long and short term borrowing options to purchase, improve or grow. Our experts can help design a custom plan to help with larger loan requests and situations unique to your business.

**Speak with a Business Services  
Representative today at  
603.422.8439 or visit  
[servicecu.org/NHSCPA](http://servicecu.org/NHSCPA)**



Follow us ▶





# Security Breach Planning and Response

By Robert Risk, Seth Danberry, Rob Kleeger and Ryan Cooper

Thieves are everywhere these days. You read about data security breaches every day from Target, Home Depot, Anthem, Sony, to American Express. These are the big companies but did you know that 94% of all breaches occur in companies with fewer than 100 employees. So what are small and midsize companies to do? The answer to this question is assume you will be breached and plan for it. The worst thing you can do is not be proactive because from a reactive position you risk permanently damaging your company brand and setting your company up for lawsuits and compliance issues.

## Security Breach Planning and Breach Response Plan

Implementation of an effective information security breach response plan enables companies to fulfill their responsibilities to those individuals, entities that entrust the organization with personal information and maintain overall Federal/State/Agency compliance. Companies that preemptively create and follow a security breach response plan will be able to:

- Comply promptly with legal requirements that apply to the company as an owner or custodian of personal information

- To reduce the risk of a data security breach that causes serious harm to the organization's reputation and finances
- React quickly to Security Breaches and not give the appearance of an inadequate response

### The planning process should identify:

- All of the personally identifiable information (PII) and sensitive data
- All Organizational Compliance Requirement
- A breach response team:
  - a. Office of General Counsel
  - b. Privacy/Compliance
  - c. Information Technology
  - d. Security- Forensics and Remediation
  - e. Human Resources
  - f. Communications/Media Relations
- Procedures for analyzing and containing a potential data security breach
- Remediation measures to be taken following a data security breach:
- Plan for notifying affected individuals
- Credit bureau information
- Insurance information

In summary, the plan should be comprehensive and maintained annually. The planning process should include proactive measures such as security testing and employee security training. The plan should cover a Security Breach Response, define when you need Legal Help and a plan for remediation.

## Proactive Preparation – Mitigate Your Level of Risk

Proactively discovering and remedying your information security risks is critically important. The most effective method is to bring in an outside professional security

CONTINUED ON PAGE 27 >

### G.T. O'Brien, Inc.

*Midsize Corporate: Brokerage, Strategy & Valuation Services*



George T. O'Brien, CPA/ABV, CVA, MST

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

28 Webster Street, Manchester, NH 03104

Direct Line: 603-626-7888 E-mail: [gtobrien@gtoco.com](mailto:gtobrien@gtoco.com)

## Security Breach...

< CONTINUED FROM PAGE 26

firm to perform some level of security audit, such as a Vulnerability Assessment or Penetration Test. It is difficult for day-to-day I.T. staff to objectively look at the systems they build and maintain. Issues may be overlooked by even the most talented employees. Also, I.T. staff are typically pressured to make things easy-to-use and functional, which are the opposites of security. Many companies do not maintain IT staffs or have completely outsourced the IT function making the security risks even greater. An independent audit helps an organization find its security gaps before the bad guys can and will ensure budgets are spent in the right place.

Another extremely important measure is to hire a professional security firm to train all staff on information security best-practices, and have them test their susceptibility to human-based attacks, such as Social Engineering and Phishing. You can have the best technical defenses in the world, but a hacker can bypass those measures if they can compromise a user on the inside. Among others, they may attempt to get them to click a link in an email, visit a malicious website, or initiate a wire transfer. Hackers are increasingly attacking end-users, so it is imperative that they are routinely trained, tested, and made aware of their role in information security. This training should be performed annual as the security risk and threats are constantly evolving.

The bottom line, properly assessing your risks, understanding your vulnerabilities, and taking steps to remediate them is the most cost effective solution to protect against security threats.

### Security Policy and Liability Planning

Business' exposure to losses due to a data breach can be mitigated by taking relatively simple steps to identify and address security vulnerabilities. Every business should, at least annually, conduct a risk assessment of their information systems, including retail point-of-sale

systems, update those systems and address any identified vulnerabilities, and review their insurance program to increase the likelihood that they will have coverage when the inevitable happens.

Most businesses believe their information systems are up-to-date and compliant with the necessary security standards; and at one time they likely were. But security standards are changing regularly, and many businesses are not regularly reviewing and updating their information and point-of-sale systems.

Security policies are written living documents that should be updated annually and issued to all employees. Security policies are definitions of what it means to be secure for a system, organization or other entity. Organizationally security policies address the limitations on behavior of employees as well as physical measures and barriers such as doors, locks, keys and walls. System security policies address constraints on functions and flow among them, limits on access by external systems and other threats including programs and access to data by people.

### Security Breach Response

Although many business executives agree that data is among their most valuable assets, it often takes a breach—or, at least, an attempted breach—to convince executives to beef up data protection. As we've seen over the past few years, no one is safe from data security attempts.

Unfortunately, most organizations are not aware a breach has occurred until it's too late. In a recent case, a small third party medical billing company who has additional staff outside the United States had migrated from a Microsoft 2003 Exchange environment to a newer Microsoft Exchange server environment. Within two weeks of that migration, a camera crew and well known investigative news reporter shows up at the company asking the CEO to provide a statement on

CONTINUED ON PAGE 28 >

## Security Breach...

< CONTINUED FROM PAGE 27

how nearly one hundred thousand patient records have been publically available (i.e. PHI breach).

The incident response team was dispatched onsite that afternoon. They began the forensic preservation of the old server and the new servers, capturing various system log files, interviewed the clients manages IT services firm, the CEO, and began conducting an analysis within a few days.

In the end, it was discovered that the cause of the data breach was from the migration which had caused the FTP setting to default to an anonymous login, therefore it was publically facing and cached by Google's bot. The IT firm had simply forgotten to "check the box" to close the publicly facing FTP port.

Getting hacked is never a good thing, especially when the result is stolen or compromised customer data, PII, or PHI. But how a company reacts to the attack can make all the difference in the long run. A prompt and effective reaction can minimize the damage or at least paint the organization in a fairly positive light with customers, business partners and the public at large.

The initial step is to keep calm, prioritize what is happening and what needs to be contained. Preserving evidence and identifying what has occurred is important, but the investigation can't begin until the scene is secured. Depending upon the incident (i.e. passive network intruder, malicious attack, rogue employee,

etc.), the primary objective is to provide intelligence about the technical skill-set and the motivation of the attacker, along with immediate steps to remediate and protect critical assets. This includes initial damage assessment, initial vector of compromise, indicators of compromise, preservation of forensic artifacts, and further forensic analysis of information collected.

Often, a critical step is to identify the incident by reviewing errors, log files and other artifacts from firewalls, intrusion-detection systems, and other digital assets. Once the response team has identified the incidents, they will work on stabilizing or containment of the network to "Stop the bleeding".

Forensic preservation is a very critical step, due to the potential legal notification and state data breach requirements, reputational risks, and possible litigation. The earliest stage of any investigation is the most important one to get right. In emergency medicine, there is a "golden hour" at the very outset, during which there is the highest likelihood that prompt expert response with a clear head and well thought out plan can make or break the best defensible position to support investigation or litigation needs.

### When Do I Need Legal Help?

Legal counsel should get involved from the minute you suspect there has been a breach. Almost every state has a data breach notification statute, and counsel

CONTINUED ON PAGE 29 >



## WE WANT TO KNOW!

We do our best to highlight our members' achievements in each issue of the NHSCPA Connection. However, we can't catch them all. Make sure to let us know about new hires, promotions, awards, and any community service events in which you and your firm participate in. Send your news to: [rdaly@nhscpa.org](mailto:rdaly@nhscpa.org)

## Security Breach...

< CONTINUED FROM PAGE 27

should be consulted to determine whether your breach will require notification of the affected parties. Where such statutes do apply, state Attorneys General typically expect notification to begin within 48 hours of the breach becoming public.

Counsel will also need to be involved to promptly determine the availability of insurance, whether to notify certain contractual counter-parties. Counsel's early involvement is also critical when dealing with law enforcement and regulators. Although businesses who have been breached are victims of a crime, they are also subject to increased scrutiny from regulators and other law enforcement who may fault the business' security practices for allowing the breach to occur. For businesses in regulated industries such as healthcare and finance, the scrutiny, fines, and reputation damage can be ruinous.

As time is of the essence, when a company has been breached to bring in legal assistance, it's important to have that legal counsel at your company's finger tips. It is wise to pre-plan your representation in advance. You don't want to be in a breach position and then start interviewing law firms to find the one with certified experts in breach security, litigation and compliance to help. Companies should do this planning in advance with the time to seek out the proper legal firm to represent you while there is no emergency and no panic situation. Not all legal firms have the experience you will need.

### Remediation

Whether you have been proactive and discovered your vulnerabilities through an exercise like a Penetration Test, or had the unpleasant experience of discovering your weaknesses at the hands of a malicious entity who created a breach, the next step is to remediate the discovered vulnerabilities. Regardless of how you have discovered where your issues are, it is important to rank them according to their risk factor so you can work through them in the proper order.

The equation 'Risk = Threat x Vulnerability x Impact' will help you properly prioritize and remediate the items in a logical order. You can simply apply estimated values of 1-5 for each of the three factors to come up with risk scores for each issue. So, a likely threat that can exploit a glaring vulnerability that would have significant impact is an emergency item that needs immediate attention. Conversely, a discovered vulnerability whose threat is uncommon and whose impact is minor is not as urgent, and can be dealt with after more severe issues are solved.

Once you feel the issues have been remediated, it is a good idea to recheck and ensure that the vulnerability is no longer present. It is also important to reassess your systems on a regular basis in order to find any new vulnerabilities and remediate them as well.

In conclusion your best defense is to be proactive. Your company should have a breach plan in place that is reviewed annually. Testing and employee training help protect the company from outside cyber attacks and create a security savvy work environment. If you do get breached you should have a solid forensic partner to help you identify what data has been compromised and set up your remediation team with the information needed to fix the problem and know who needs notification. Finally, make sure you have the correct level of cyber insurance and experienced legal representation.

---

Robert Risk, MSCIS, is director of technical advisory services at Wiss Security Partners; Seth Danberry is president of Grid32; Rob Kleeger is founder and managing partner at Digital4nx Group Ltd; and Ryan Cooper is director of the Privacy and Information Governance Group at Pashman Stein.

Reprinted with permission of the New Jersey Society of CPAs, [njcpa.org](http://njcpa.org)



# Tax guidance you can count on.

Our team of tax attorneys are highly experienced in all aspects of individual and business law, including:

- Federal and State Tax Planning
- Executive Compensation
- Business Succession
- Employee Benefits/ERISA, ESOPs
- Federal and State Tax Controversies
- Mergers and Acquisitions
- Estate and Gift Tax Planning
- LLC and Start-Up Businesses
- International Tax
- Tax-Exempt Organizations



Peter D. Anderson



Steven M. Burke



John E. Rich, Jr.



William V.A. Zorn



Beth L. Fowler



Richard M. Stone



Amy E. Drake



Catherine H. Hines

**MCLANE  
MIDDLETON**

McLane.com

**New Hampshire:**  
Manchester | Concord | Portsmouth

**Massachusetts:**  
Woburn | Boston

# File Sharing Sanity: Who Do You Trust?

By Anthony Mongeluzo, *Pro Computer Service*

You're on a fly fishing trip, and your client needs a document. It's on your laptop, which you left at home. She wants it NOW. You see the problem. If you had a file-sharing system, your partner, assistant or designate could tap into your system and gain access. Problem solved, happy client, now back to fly fishing.




The essence of file sharing is that anyone that you deem appropriate can access files you wish to share — anytime, anywhere. In short, it is a digital reservoir that allows for an almost unlimited amount of information that is shareable.

You must decide precisely what your file-sharing needs are. If you're a one-person accounting practice, almost any file-sharing service will suffice. But if you are searching for storage, syncing and backup, you might have more sophisticated needs.

The chart below provides a thumbnail sketch of potential file-sharing choices. There is no substitute, however, for visiting each site and spending a few minutes trawling through the offerings to see which program is the best fit for your accounting practice. A good rule of thumb is to try to anticipate future needs. Push the envelope a bit for potential future use. We all admit needing more memory (or size) than we originally thought. (Does anyone remember when a 20 MB hard drive was all the memory we'd every need?)






Take a free test run or pay a minimum amount that you can cancel easily. This will ensure that you're not stuck with a service that doesn't quite match up to the sales hype. Also, check the pricing details. They can change frequently.

[CONTINUED ON PAGE 32 >](#)

Product	Description	Pricing
 <b>Dropbox for Business</b> <a href="https://dropbox.com">dropbox.com</a>	The granddaddy of them all. While most of us are familiar with the free, easy-to-use consumer version, the business version has more — including support for multiple users, extra security settings and the ability to retrieve previous file versions.	<ul style="list-style-type: none"><li>• Free: Basic plan and 14-day trial.</li><li>• Pro: \$9.99 per user per month (or an annual \$99 per year plus tax).</li><li>• Business: \$15 per user per month (starting at five users).</li></ul>
 <b>box</b> <a href="https://box.com">box.com</a>	Actually it's about collaboration and not being in a box. It gives you the storage and syncing, but it also provides tools for a collaborative approach, such as sharing screenshots and screencasts from the desktop. Another cool feature is the ability to search text, not just the file name. There are also other third-party features.	<ul style="list-style-type: none"><li>• Free: 14-day trial.</li><li>• Starter: \$5 per user per month for 100 GB storage and a maximum file size of 2 GB.</li><li>• Business: \$15 per user per month for unlimited storage and a maximum file size of 5 GB (minimum three users).</li></ul>
 <b>Google Drive</b> <a href="https://google.com/drive">google.com/drive</a>	Google Drive is Google's file and storage service linked with SaaS-based productivity tools. If you're a Google fiend (Chrome browsers, Gmail and Google+), the integration is seamless and familiar.	<ul style="list-style-type: none"><li>• 15 GB for free.</li><li>• 100 GB for \$1.99 per month.</li><li>• 1 TB for \$9.99 per month.</li><li>• 10 TB for \$99.99 per month.</li><li>• 20 TB for \$199.99 per month.</li></ul>

## File Sharing Sanity...

< CONTINUED FROM PAGE 33

Product	Description	Pricing
 <a href="https://onedrive.live.com">onedrive.live.com</a>	<p>Tons of free storage and if you're a Microsoft devotee, it integrates easily. (There's a version for Mac, iOS and Android, too.) Allows for collaboration with multiple people in real time from almost any device. As one reviewer noted, a "particularly clever feature is 'Fetch,' which lets you pull files off an online PC (Windows only) even if you haven't previously uploaded them to OneDrive." OneDrive:</p>	<ul style="list-style-type: none"> <li>• 5 GB for free.</li> <li>• 50 GB for \$1.99 per month. OneDrive and Office 365:</li> <li>• Personal: 1 TB for one user for \$6.99 per month.</li> <li>• Home: 1 TB each for five users for \$9.99 per month.</li> </ul>
 <a href="https://mozy.com">mozy.com</a>	<p>There's a free version, but the Pro version — best for business — automatically backs up all your critical files, regardless of the device or whether it's Windows or Mac. Mozy charges a flat rate according to how much space you use rather than the number of computers.</p>	<p>Without Servers, 1 Year Plan:</p> <ul style="list-style-type: none"> <li>• 10 GB for \$109.89.</li> <li>• 50 GB for \$219.89.</li> <li>• 100 GB for \$439.89.</li> <li>• 250 GB for \$1,044.89.</li> </ul>
 <a href="https://crashplan.com">crashplan.com</a>	<p>CrashPlan backs up no matter the system: Windows, Mac, Linux or Solaris. It has a unique pricing scheme that lets you choose between backing up an unlimited amount of data per computer or unlimited copies with a limit on data.</p>	<ul style="list-style-type: none"> <li>• Free 30-day trial.</li> <li>• \$5 per user, per month.</li> <li>• \$10 per user, per month including cloud storage.</li> </ul>
 <a href="https://carbonite.com">carbonite.com</a>	<p>Similar to MozyPro, Carbonite Business backs up files and folders. But consider the Business Premier version — because of its cost per GB per year.</p>	<ul style="list-style-type: none"> <li>• Essentials for \$899.99 per year.</li> <li>• Advanced for \$1,199.99 per year.</li> <li>• Advanced Pro Bundle for \$1299.99 per year.</li> </ul>
 <a href="https://accountantsworld.com/solutions/cloudcabinet">accountantsworld.com/solutions/cloudcabinet</a>	<p>If a software program promises that it's tailor-made for your business, you should always give it an extra look. Presumably, Cloud Cabinet customized their program with accountants in mind. It promises to dramatically stream operations, improve productivity and provide "effortless" recovery. It's probably worth a first look. Note: They don't offer a free trial period, but the annual plan comes with an "unconditional money-back guarantee if you cancel within the first 30 days."</p>	<ul style="list-style-type: none"> <li>• \$59 per month or \$595 per year; includes both document management and client portals.</li> <li>• Base storage: 5 GB; purchase an additional 5 GB for just \$25 per year.</li> </ul>

Reprinted with permission of the New Jersey Society of CPAs, njcpa.org.





# 2016 CONFERENCES

## Friday, June 9

8:30 am—4:15 pm  
NHSCPA Classroom  
CPE: 8 hours  
Yellow Book

## Not for Profit Conference

Topics include: New FASB Accounting Standards, OMB Uniform Guidance, Tax Credits—NH CDFA program, IT Best Practices for small- to medium- sized organizations, Fraud Prevention and Detection, Best Practices—New Banking Transactions, New Overtime Labor Law Requirements.

## Friday, October 28

8:00 am—4:15 pm  
NHSCPA Classroom  
CPE: 8 hours  
Lunch included

## Women's Leadership Conference

Join us to learn how influence is a key ingredient to successful leadership—Particularly when you have limited control of circumstances. Learn tools and techniques to influence and inspire transformation in teams and outside of a span of control. Develop skills to inspire collaboration and commitment to shared goals.

## Thursday, November 3

8:00 am—4:15 pm  
Grappone Conference Center  
CPE: 8 hours  
Lunch included

## NHSCPA/NH Bar Assoc. 34th Annual Tax Forum

This CPE conference is sponsored by the New Hampshire Society of CPAs and the New Hampshire Bar Association. Topics include: multistate apportionment, federal and state tax update, new partnership audit rules, tax planning for retirement accounts, tax consequences of trusts, and more.

## Tuesday, December 8

8:30 am—4:15 pm  
NHSCPA Classroom  
CPE: 8 hours

## Small Firms Conference: Issues of Today, Preparing for Tomorrow

Topics include: 10 Steps to a Digital Practice for the Small Firm; AICPA Small Firm Update; Increasing CPA Firm Value for Future Succession; Branding for the Small Business; Engaging the Next General of Professionals, and more.





# 2016 Legislative Report

The second year of the 2015/16 legislative session has been a terrific one for the Society. We have made some very good progress for our clients, New Hampshire businesses and the CPA Society. Huge thank you should go out to a number of legislators. First of all the House Ways and Means Committee was outstanding all year working really hard on some very complicated pieces of tax legislation. Chaired by Rep. Norm Major, a Republican from Plaistow, assisted by Vice Chair Pat Abrami, Republican from Stratham, and minority member Democrat Patty Lovejoy, a CPA also from Stratham, the Committee worked overtime trying to develop legislation that works for the state as well as the businesses of the state. Bravo for job well done. And in the end, the Senate agreed with the House version of a number of important pieces of tax legislation. Now we should not neglect the Senate. Sleeves rolled up, Senate Ways and Means committee chair Republican Dave Boutin worked tirelessly on a number of pieces of legislation to see them to a successful conclusion. Also kudos go to Sen. D'Alessandro, Democrat, and Sen. Sanborn, Republican, who also really worked to get good legislation passed for the State and our businesses. Huge thank you to all involved.

## **Victories**

### **SB 239**

SB 239 updates the New Hampshire effective version of the US Internal Revenue Code of 1986 applicable to the business profits tax to December 31, 2015, subject to certain adjustments. The adjustments are to decouple section 168(k); section 199; section 181; and section 179 with the expense deduction not to exceed \$100,000 instead of \$500,000 as is in the IRC. The 179 expense deduction will not take effect until January 1, 2017. The remainder of the act will take effect upon



signature of the Governor. The bill also requires the Commissioner of DRA to report not later than March 31 of each year to the House and Senate Ways and Means Committee of any changes in the US IRC, related Treasury regulations and administrative rulings, which would impact New Hampshire. Obtaining agreed-upon language for SB 239 was really quite a feat. A huge thank

you goes to our own Marie McKay, Alison Perella, Joel Olbricht, Karl Heafield, and Maurice Gilbert for their dedication, behind-the-scenes conversations, and testimony in the House and Senate, which was essential in getting this bill passed.

### **SB 342**

SB 342, which relates to the sale or exchange an interest in a business organization under the business profits tax, was a real victory for the CPAs. Karl Heafield testified from the beginning not only on the importance of changing the law but also on the importance of allowing businesses the option to make an election to pay the business profits tax and take a step up in basis or not pay the tax and not take a step up in basis. In the end, the CPA position of an election won the day. The Senate agreed with the House version of the bill. The agreed-upon version of the bill states that a business organization may, for a particular sale or exchange, makes an irrevocable election to recognize the basis increase of the assets for federal income tax purposes. Such business organizations the purposes of the business profits tax shall be required to make an addition to the gross business profits equal to the net increase in the basis of all assets transferred or sold, be allowed a deduction against the gross business profits annual depreciation and amortization attributable to the increase in the

[CONTINUED ON PAGE 35 >](#)

## 2016 Legislative Report

< CONTINUED FROM PAGE 34

basis of the assets recognized, and calculate the gain or a loss on the sale or other disposition of an asset with regard to the basis increase recognized for federal income tax purposes, from the sale or exchange of the ownership interest in the organization. SB 342, sponsored by Sen. Jeb Bradley and HB 1385, sponsored by Rep. Patty Lovejoy, became a real battle between the House and the Senate. The House continually maintained the most business friendly version of the bill was to have an election regarding the step up in basis. The Senate, particularly Sen. D'Alessandro, continued to argue the election was detrimental to the DRA and could mean a loss of revenue for the state. During the committee of conference Representative Patty Lovejoy, a CPA, said that her concern of not having an election was that many businesses would not pay the tax but would not realize they couldn't take the step up in basis and would take it and continue to depreciate the step up. This would result in a real issue if the company were audited as well is a real loss of income for the State. It was better to have the election

on the form and have businesses be intentional about taking the step up in basis or not taking the step up. Therefore if the business did not take the step up, they did not pay the tax, they would not get a deduction. The Governor who had said she would possibly veto the bill with an election decided after listening to Rep. Lovejoy concerns without the election that the election was the clearer and cleaner way to go. So after 5 months of arguing about an election or no election, the Senate and the Governor agreed with the House election version. They should've all just listened to Karl Heafield when he originally testified because clarity was one of his concerns. Another huge thank you goes to Karl, Maurice, and Joel who all worked very hard on this legislation publicly and privately.

### SB 343

SB 343 creates a commission to study the apportionment of gross business profits under the business profits tax. As the issue of apportionment has been kicking around for decades, this piece of legislation made very good sense to both the House and the Senate. The commission will be made up of two members of the Senate, three members of the House, two members of the business community, the president of the New Hampshire Bar Association, the president the New Hampshire Society of CPAs, the Commissioner of DRED, the Commissioner DRA, and the attorney general or designees. The members of the commission shall study apportionment among the states to understand how apportionment would impact New Hampshire. The commission will have to have its findings and recommendations completed by November 1 of 2016. The commission will get started in August.

### HB 1656

HB 1656 codifies in the RETT exemptions from the tax on transfers to/from owners and their entity as long as

CONTINUED ON PAGE 36 >

## FIND A CPA

Looking to add to your client base? Make sure that your firm or practice is listed in NHSCPA's online Find a CPA database. This service is provided to the public at no charge so that they may search for a CPA by name, city or services offered.

The Find a CPA database is a complimentary member service, but only on an opt-in basis. Signing up is simple, so don't miss out on this opportunity to market yourself or your firm!



CREATE YOUR FREE LISTING >>

# 2016 Legislative Report

< CONTINUED FROM PAGE 35

there is no consideration being given in exchange for the real estate. This happens when the owner wants to put a piece of real estate into an established LLC or trust or is asked to move it into another entity by a financial institution to obtain financing or refinancing. It will permit some reorganization to occur without triggering the tax and it also clearly states that conversions from entities into LLC are also exempt. These unstated exemptions were there as a result of a series of NH court decision that most people were not aware of and probably paid the RETT when it could have been avoided.

## HB 1289

HB 1289 makes technical corrections regarding the rulemaking authority, reporting and payment dates of certain tax laws. The bill removes requirement for witness signatures and declaration of consideration reports on the real estate transfer tax. The bill also repeals the law establishing the division of automated information systems. The bill allows for the Commissioner of DRA to adopt rules pursuant to the community revitalization tax incentive relief law. It does not require the adoption of rules. The bill changes the payment date for taxation of railroads from 15 to 30 days. The bill also changes the terminology from "returns and declarations" to "payment forms". The bill also changes the tax requirements on intermediate care facilities. The bill also makes some technical changes in the education tax warrants.

## HB 1290

HB 1290 changes the due dates for filing business profits tax and business enterpriser tax returns to conform with the federal due dates for partnerships and corporate tax returns. Also, for good cause, the commission may extend the time within which a business is required to file a return, and if such return is filed during the period of extension no penalty may be imposed for failure to file the return. This language,

however, deletes the language that no late payment will be charged. The provisions of the bill apply after December 31, 2015.

## HB 1443

HB 1443 would have repealed certain provisions relative to the burden of proof in determining the reasonable compensation deduction. It also would have advised DRA to use certain averages of compensation when determining reasonableness. The bill was revising the reasonable comp law that passed a few years ago. Fortunately it was resoundingly defeated by the House Ways and Means Committee and never saw the light of day.

## Conclusion

It has been a very good year for the New Hampshire of Society of CPAs. The Society has had many members visible in legislative hearings and also talking to Senators and House members off the record. In many an executive session, the question was asked before the vote of the House or the Senate members, where are the CPAs on this issue. It's really great to know that you are so well-respected that our elected officials want to know where the CPAs are before they vote on important tax legislation. As many of our friends are not coming back in 2017/18, we will have to be sure to find some new friends. Those who have announced they are not coming back in the Senate are: David Boutin (very good friend); Nancy Stiles; Russell Prescott; Jerry little; Sam Cataldo; Jeannie Forrester; Molly Kelly; and David Pierce. Looking forward to another good biennium.





# Pursue

success in planning for life's milestones.

At Eagle Point Investment Advisors, we can help you in planning for life's many financial milestones, like saving for college and retirement. Regardless of the stage of life you are in, our highly experienced team will provide the personal service, innovative strategies and unbiased advice to help you plan for your journey. We'll work with you to set realistic goals for your family today in order to pursue your financial goals of tomorrow.

We invite you to put your trust in our firm.



Scott L. Dudley, MBA, AIF® PPCTM Principal, Partner | Edward Hickey, Jr., CRPS® Principal, Partner  
One Bedford Farms Drive, Suite 100, Bedford NH 03110 603.792.9100  
Securities offered through LPL Financial, Member FINRA/SIPC.



## EVENTS

### SEPTEMBER 16, 2016

#### 2nd Annual Women's Golf Outing

Stonebridge Country Club  
Goffstown, NH

### SEPTEMBER 22, 2016

#### CPA Inauguration & Ethics Pledge Ceremony/CPA Networking Event

Grappone Conference Center  
Concord, NH

### SEPTEMBER 23, 2016

#### NHSCPA Career Fair

Derryfield Country Club  
Manchester, NH

### DECEMBER 1, 2016

#### Business Partners' Wine & Beer Tasting Event

Derryfield Country Club  
Manchester, NH

### TOWN HALL MEETINGS

June 14, 2016 – Lebanon

August 25, 2016 – Keene

September 29 – Seacoast

## 2<sup>ND</sup> ANNUAL WOMEN'S 9-HOLE GOLF OUTING

**Friday, September 16, 2016**  
**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.

**REGISTER NOW**



## GET PUBLISHED IN THE NHSCPA CONNECTION

If you have expertise in a particular subject and a willingness to share your knowledge with others, consider writing an article for the **NHSCPA Connection**. Features typically run between 1,000 and 1,500 words and cover current events, news within the profession and special interest topics. Get published by contacting Roberta Daly at [rdaly@nhscpa.org](mailto:rdaly@nhscpa.org)

## NHSCPA CONNECTION

NHSCPA Connection is published quarterly by the New Hampshire Society of CPAs. Opinions expressed are those of the writers; they do not necessarily reflect positions taken or views held by the Society, its officers, directors, executive office or editor. The NHSCPA reserves the right to reject any editorial material or paid advertising. Advertising rates are available at [nhscpa.org](http://nhscpa.org) or email [rdaly@nhscpa.org](mailto:rdaly@nhscpa.org). Classified advertisements are accepted and a file box number is available for confidential ads.