

NEW HAMPSHIRE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

# CONNECTION

WINTER 2017

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## Join the NH Society of CPAs at the 2017 Annual Meeting & CPA Inauguration

May 9, 2017

5:30 – 8:00 PM

Manchester Country Club, Bedford, NH

.....

FOR THE FIRST TIME EVER WE WILL BE COMBINING OUR  
ANNUAL MEETING WITH OUR CPA INAUGURATION!  
DON'T MISS OUR BIGGEST EVENT OF THE YEAR!

## REPORT OF THE NOMINATIONS COMMITTEE

The Nominations Committee, as prescribed by the Bylaws, submitted their report and recommends the following fellow members for officers' and directors' positions.

### Nominations as Officers

#### **President-Elect**

Evan Stowell, CPA

#### **Treasurer**

Ed David, CPA, CGMA

#### **Secretary**

Ryan Warren, CPA

#### **Director**

Nina Chang, CPA, MBA

### Nominations to the Board of Directors

#### **For a Three-Year Term (5/1/2017-4/30/2020)**

W. Jay Simms, CPA, CITP

Jennifer Elder, CPA, CMA, CIA, CFF, CGMA

Gary Boisvert, CPA

Lisa Gerrish, CPA

**Kendra Bell, CPA was nominated as President-Elect in 2016 and assumes the position of President of the New Hampshire Society of CPAs on May 1, 2017.**

NHSCPA CONNECTION

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New Hampshire Society of CPAs

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# From the President



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

Since this is my last message to the membership, I'd like to recap a few events of the past year and mention some of our ongoing initiatives.

### At the national level, we saw:

- The new affiliation between the AICPA and CIMA
- Progress in the Enhancing Audit Quality initiative
- Increased demand for CPAs to provide Personal Financial Planning that includes estate planning, tax compliance and planning, risk management, investments, charitable giving, and retirement planning
- Finalization of CPA Exam changes
- Peer Review changes made to improve detection and accountability
- The RIVIO Clearinghouse launched in May 2016, which facilitates private company financial information exchanges

### At the state level, we saw:

- Robin Abbott taking the helm as the NHSCPA's CEO, following Marlene Gazda's retirement in June
- Devine Strategies becoming the new legislative consultant for NHSCPA, with Teresa Rosenberger providing regular updates and attending Board meetings and Town Hall Meetings to help keep members apprised of the status of House and Senate bills
- The Strategic Plan for NHSCPA being updated, with changes to committee design, new initiatives and new priorities made in response to the survey completed by the membership

### Ongoing projects and initiatives:

- The Strategic Plan will continue to develop and evolve to meet members' needs
- Focus on membership, particularly growth in younger members
- Partnerships and involvement with other professional organizations

Thank you for the opportunity to serve as your President of the NHSCPA. I've enjoyed working with a terrific Board, our new CEO, and talking with many of you. I wish you a successful busy season and very prosperous future.

Sincerely,

**Linda M. Engstrand, CPA**



**Robin Abbott, CEO**

It's a new year at NHSCPA with a vibrant energy, new opportunities, and endless possibilities on our horizon.

We have had a very busy few months in preparation for this tax season and in particular, a very robust and proactive NH Legislative season. While I consider myself somewhat knowledgeable to how our democratic system works and what takes place in Concord, I learned first-hand, the impact our Society has on the education and preparation of our NH legislators. It was very impressive to witness how valued our members are to our elected officials, and how important our advocacy is for members of the accounting profession and the tax payers they serve.

I want to extend my sincerest gratitude to all of the members of our Tax and Legislative Committee, especially to Jason Cole, *Co-chair*, Karl Heafield, *Co-chair*, Joel Olbricht, Ken Wolfe, Pete LaChance and Karen Boulay for their recent presentations to the NH House Ways and Means Committee. They each presented individual sections on important NH tax legislature and practice-related issues that were extremely well received. I also want to thank Marie McKay and Alison Perella for their work on presentation topics and materials. Lastly, thank you to Teresa Rosenberger who helped us organize such an invaluable session, and always keeps us informed of important bill related issues that affect our work.

I would like to take this opportunity to thank our 2017 Nominating Committee who helped us bring important voices to our upcoming Executive Committee and Board. Bob Vachon, Marie McKay, Steve Lawlor, George O'Brien and Tom Doyle all helped our current Executive Committee to establish our roster of incoming Board members. We are all looking forward to an incredible year ahead.

Finally, I am excited to announce we have begun working on our three-year Strategic Plan. Thanks to our survey results and the facilitation skills of Joel Olbricht, our Board of Directors successfully worked to create a short and long-term plan to promote the continuity and advancement of the accounting profession by renewing our promise to be a viable resource for Society members. If you are interested in our Strategic Plan or would like learn how to get involved, please don't hesitate to reach out to me. I look forward to our work together and to the growth and success of this important organization.

As always, thank you for your continued support. We cannot be successful in this mission without you.

Sincerely,

**Robin K. Abbott, CEO**

## *Congratulations*



NHSCPA Legislative Consultant, **Teresa Rosenberger**, was named the **2016 Citizen of the Year** by the Concord Chamber of Commerce. Teresa has been an integral part of the Society's legislative advocacy and we would like to congratulate her on this, very well deserved, honor!

# The NHSCPA Grants Scholarships to 3 Future CPAs

This past December, NH Society of CPAs Financial Careers Committee selected three very deserving future CPAs as scholarship recipients. The scholarships were given based on outstanding academic achievement, and were awarded to those individuals who possess the qualities to serve the community and profession with honor and distinction. A \$500 scholarship from the Woman's Golf Outing was awarded to **Cassidy LaBier** of UNH. Cassidy got to where she is today by setting small goals for herself and achieving them. Currently, Cassidy is awaiting the early decision for her desired MSA program. A \$1000 scholarship was awarded to **Dustin Ladd** of SNHU. Dustin has an impressive list of achievements including being on the Executive Board of the Accounting Society at SNHU, along with making the President's list and the Dean's list. Dustin has done all of this while working and owning his own painting business.

Lastly, our \$2000 scholarship was awarded to **Anthony Monetta** of SNHU. Anthony is a very impressive young man. He is the Becker Undergraduate Campus Ambassador at SNHU and is on the President's List. He works as an Assistant Coach for Spaulding High School Soccer, Bowling and Outdoor Track. He attributes his work ethic to his Grandfather, who is a business owner and has mentored him through the years. This past year he graduated Magna Cum Laude with his BA in Accounting and he is currently enrolled in SNHU's Masters of Professional Accountancy Program. We are happy to be able to give this scholarship to Anthony, and hope it helps him to achieve his dream of one day owning his own CPA Firm in NH.

Congratulations to all of the recipients! You certainly deserve it!



***Robin Abbott, CEO of NHSCPA and Anthony Monetta, Scholarship Recipient***



# Legislative Update

By Teresa Rosenberger, *NHSCPA Legislative Consultant*

As we send you the first legislative bulletin for 2017, things have really begun to move with this new legislature. It seems like just yesterday it was November and we elected a new Governor and Legislature. With the inauguration of Chris Sununu as our governor, it is the first time in 12 years that a Republican has been in the corner office. The Senate and the House have both remained Republican and elected the same leadership for this biennium. As you will recall from past years, at least a third of the legislature is new. All of our elected officials are firmly ensconced in Concord now and working away. Over the coming weeks and months, we will be communicating with you on bills that may be of interest to you and your clients.

## Taxes, taxes, taxes.

Changing the tax structure was a big topic of debate on the House Ways and Means Committee. There were bills to reduce business taxes; repeal I and D taxes; expand the I and D tax to capital gains with exemptions; establish an income tax among others. The committee has killed all of these bills in favor of passing a bill (**HB 489**) to form a commission to study the tax structure of the state. We will pay very close attention to that commission if it passes the Senate.

## Progress but slow!

**HB 531** has passed the House Ways and Means Committee with an amendment that changes the gross business income from \$50,000 to \$75,000. Seems they were worried a jump to \$100,000 as the attached bill was written was too much. A little timid!!!

## Economic Development Toolbox Expansion (**SB 74**)

Many of you may recall in 2003, The legislature passed legislation creating economic revitalization zones. These zones have a single continuous boundary that is an unused or underutilized industrial parks; vacant land or structures previously used for industrial,

commercial, or retail purposes but currently not so used due to unfavorable economic conditions either generally or in a specific economic sector. The businesses locating in these zones can utilize tax credits against the BPT and/or the BET. However, currently the credits are capped and a maximum in aggregate of \$825,000 in any year and a maximum of \$40,000 per business in any year. The success of the program has necessitated **SB 74**, which would increase the level of the caps on the amounts of the credits that are available for businesses in economic revitalization zones from \$825,000 to \$3,000,000 per year and an increase from \$40,000 to \$50,000 per individual taxpayer. There are far more businesses that could employ these credits than what is possible under the restraints of the current law. Given the fact that DRED has very few incentives to roll out to prospective businesses, and the new Governors pro-business agenda, all bets are on **SB 74** having a positive vote out of the Senate Ways and Means committee shortly.

## Allowing rebates???

**SB 76**, which gives the option for the R&D tax credit to be taken as a rebate equal to 75% of the credit awarded, instead of just the five year full tax credit. The bill gives flexibility to companies, especially start-up companies that need money up front. It is a very appropriate way to help companies that do not have upfront capital. This bill is an important step towards making New Hampshire a better place for startups and entrepreneurs. Different companies have different needs and this bill gives companies the flexibility to decide which makes better business sense for them. It will be interesting to see what the Senate does with this one.

## New Governors Budget

Governor Sununu's budget is being released this week. No sneak previews yet. Stay tuned.

# 5 Steps to Embrace and Leverage Technology

By Michael L. Zola, CPA, Zola Grace, CPAs, LLC

*This business-owning CPA with over 30 years of experience offers advice on how to leverage and use new technology to keep your business thriving.*

Over the past 35 years, I've had a front-row seat to the most remarkable advances in business technology.

I started my career in a small regional CPA firm in the early 1980s. It was just around the time ADP started offering automated payroll services. In the early 1990s, as controller for a multi-national public relations agency, my department was the first to utilize personal computers, primarily to run Lotus 123 on a DOS operating system. The computer revolution had begun, and it seemed like overnight every employee worked on a PC running Windows. Not long afterwards, I was responsible for implementing cutting-edge ERP software across the entire organization for that same company.

Along the way, whether working in a corporate environment or practicing public accounting, embracing new technology was key to the value proposition I offered employers and clients. I'm sure many of you feel the same. Adapting business processes to emerging technologies fueled the computer revolution. We marveled as technology took hold. We prided ourselves on being ahead of the curve, and companies counted on us to explain to others how it all worked and the benefits provided by adapting business processes.

It was easy for accountants to leverage technology and the applications that were designed to take advantage of it, and for good reason. Much of the technology was designed to aid us. Efficiencies in capturing business transactions, data storage and the ability to access and report on information helped us to be better at our jobs. It wasn't difficult to embrace and leverage technology when it made us smarter, more efficient and valuable.

However, the focus of technology has shifted, and the pace of change has increased. Today, technology has become outward looking. The benefits of adapting are not always clear. For some, the learning curve has become more difficult as understanding how to leverage technology has gotten fuzzy.

New business applications often are less about improving work products like spreadsheets or tax returns and are more about mobility, practice management and interaction with clients and employees. These newer applications now focus on internal business processes and the way our firms are managed. The speed of change has accelerated, leaving many of us feeling hopelessly behind.

How do we keep pace? The following five suggestions are based on my experience adapting a small CPA tax practice to new technologies that have helped us stay competitive now and will give us every opportunity to stay competitive into the future.

## 1. Start From the Inside Out

Implement applications designed to help you organize your processes and work product. A practice management solution is a good place to start. There are applications that integrate customer relationship management (CRM), project management, document management, time and billing, client portals, and more. Embracing these applications and the digital storage capabilities they offer enables us to do more with fewer mistakes.

## 2. Find a Good IT Resource

It is important to have an IT consultant on your team who can help with the transition and take ownership of the technology infrastructure. Your focus should be

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## 5 Steps to Embrace and Leverage Technology

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on learning how to use and leverage the applications you deploy. Seek out an IT firm that has experience working with accounting firms, understands workflow and processes, and can deliver a computing environment utilizing new technologies in a secure environment.

### 3. Set Your Sights Outward

A good practice management platform is the foundation that allows a practitioner to move from paper to digital storage of client information and documents. This transformation can be leveraged to take advantage of today's outward looking technologies. Clients want to interact online and receive financial documents electronically in a secure environment via email and the internet.

A cloud-based practice management tool will allow you to deliver resources to employees regardless of where they want or are able to work. The platform should enable you to provide a seamless mobile work environment with all of the tools and documents employees need. Today's best and brightest accountants are looking for a sophisticated mobile work environment that provides access to new technologies and work flexibility. Having this technology will allow you to attract and retain employees.

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### 4. Step Up Your Client Communications

Businesses of all types are carving out a presence on social media, so be sure to have a presence on at least one social site. Use your practice management software to harvest email addresses for newsletters. Provide targeted information to existing clients from attributes stored in your CRM. Drive clients and prospects to your website, LinkedIn page, Twitter feed and Facebook page.

### 5. Take the Plunge

CPAs are trained to be detailed oriented. Our profession demands that we have a complete understanding of all the facts. However, this approach doesn't always work when considering new technologies. Sometimes you need to embrace a "launch and learn" mindset to become more efficient and attractive to clients and employees.

Our survival depends on embracing the direction technology is heading. Today's technology is no longer just about improving the work product. It's also about our clients and employees. The ways we sell our services, communicate our expertise, share documents and resources, and allow access to work products has changed. Technology that allows us to create an interactive experience between our clients and employees has replaced the focus on technology improving how we prepare tax returns, spreadsheets and work papers. We must embrace new technology and learn how to leverage it. If we do not, we will have a hard time demonstrating our value in comparison to others who have adapted. Eventually firms that do not adapt will be less desirable to clients and employees.



Michael L. Zola, CPA, is the managing partner of Zola Grace, CPAs, LLC. He is a member of the NJCPA State Taxation and Nonprofit interest groups. Michael can be reached at [MZola@ZolaGraceCPA.com](mailto:MZola@ZolaGraceCPA.com).

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# SPRING CPE CALENDAR

DATE	COURSE TITLE	VENDOR	CREDITS
5/16/2017	NHCPA Firm Networking Discussion	Joel Olbrich	4
5/17/2017	Employee Benefits Plan Conference	NHSCPA	8
5/18/2017	Guide to SSARS No. 21 Preparation of Financial Statement and Compilation Engagements	Surgent McCoy	4
5/18/2017	Meet Your Next Migraine: Five Critical Issues that will Confront A&A Public Accountants in 2017	Surgent McCoy	4
5/19/2017	More Than Meets the Eye: Examining the New Lease Accounting Standard	Surgent McCoy	4
5/19/2017	Financial Statement Disclosures: A Guide for Small and Medium-Sized Businesses	Surgent McCoy	4
5/22/2017	Cases in Corporate Ethics: Discuss Real Life Conflicts	Executive Education	4
5/22/2017	Better Performance Plans: Get Stronger Results from Your Compensation Plan	Executive Education	4
5/23/2017	Breaking the CF-No Syndrome: Becoming a CF-Oh!	Executive Education	8
5/31/2017	ETHICS	BLI	4
6/1/2017	NHSCPA Not for Profit Conference	NHSCPA	8
6/2/2017	Excel Tips, Tricks & Techniques for Accountants	Marie McCooley	4
6/2/2017	Everything You Want to Know About Excel Pivot Tables	Marie McCooley	4
6/7/2017	Construction Contractors: Critical Accounting & Auditing	Surgent McCoy	8
6/8/2017	Race toward Implementation: Tackling the Tough Issues in Adopting the New Revenue Recognition Standard	Surgent McCoy	8
6/9/2017	Audits of 401(k) Plans: New Developments and Critical Issues for an Effective & Efficient Audit	BLI	8
6/12/2017	The Eight Hour MBA: Key Concepts of Performance Management	BLI	8
6/13/2017	The Eight Hour MBA: Key Concepts of Powerful Communication	BLI	8
6/14/2017	Governmental and Not-for-Profit Annual Update	AICPA	8
6/15/2017	Applying the Uniform Guidance for Federal Awards in Your Single Audits	AICPA	8
6/16/2017	Frequent Frauds Found in Governments and Not-For-Profits	AICPA	8
6/19/2017	The Best Income Tax, Estate Tax, and Financial Planning Ideas of 2017	Surgent McCoy	8
6/20/2017	Advisor's Workshop: Helping Small Business Clients Navigate Health Insurance and Fringe Benefits in 2017	Surgent McCoy	8
6/22/2017	Ethical Leadership: Power, Influence, Integrity and Trust	Executive Education	4
6/22/2017	Valuing a Business: What is This Company Worth?	Executive Education	4
6/23/2017	Executive Education's Annual CFO Spotlight: Performance, Practice and Prevention	Executive Education	8
6/26/2017	AICPA's Annual Accounting & Auditing Update Workshop	AICPA	16
6/28/2017	Upcoming Peer Review: Is your firm ready?	AICPA	8
6/29/2017	Partnership and LLC Core Tax Issues from Formation to Liquidation	Surgent McCoy	8
6/30/2017	S Corporation Core Tax Issues from Formation to Liquidation	Surgent McCoy	8

## 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 Amanda to walk you through the process at 603-622-1999.

# Your ESOP Team

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Steve Cohen, LLM, CPA

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## Engage. Inspire. Lead.

### *A Re-cap of the Young Professionals Strategic Planning Session*

By Jason Beiswenger, Co-Chair

In January the YP committee gathered for a strategic planning meeting facilitated by Jennifer Elder, CPA, CMA, CIA, CFF, CGMA, Principal of "The Sustainable CEO" and co-creator of the 8 hour MBA. The group began the session by looking ahead at the future. In a perfect world, the committee would become a greater resource for the NHSCPA's young members, hosting integrated networking events, and growing the NHSCPA's young membership. The group then took a look back to the past by reflecting on prior events, initiatives, and recognizing efforts put in by past members. Focus, when then directed to the present, the group formulated a list of the top initiatives for the committee: (1) develop our value proposition a.k.a. "WIIFM" (what's in it for me), (2) host regular meetings, (3) redevelop the leadership program, and (4) schedule integrated networking events. In a final exercise, the committee developed a new mission statement:

**"Engage, inspire, and lead young professionals to push themselves and the profession into the future."**

A big thank you to all of the YP committee members and NHSCPA staff in attendance! The Strategic Planning Session was followed by the Busy Season Kick Off event held by Devine Millimet. The event was well attended, boasting an attendance of over 50 professionals. Thank you to Stephanie Howes, and the team at Devine Millimet for inviting Society members to attend this wonderful event!

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

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# Accountants Face Significant Cyber Risk

By Cameron G. Shilling and Ramey Sylvester

Cyber-attacks and costly accidental losses of sensitive personal and financial information are no longer confined to retailers like Target or Sony or banks and investment houses like JP Morgan. Accountants and accounting firms are prime targets for hackers and are experiencing disproportionately damaging breaches from employee mistakes.

Clients entrust their accountant with the most sensitive information about themselves and their family members, including financial and investment account data, tax returns, personal and business income, social security numbers, and driver's license and other governmental identification numbers. While housing these highly valuable repositories of sensitive information, accountants and accounting firms commonly have fewer resources than larger companies, and have devoted far less attention to their cyber vulnerabilities. Consequently, hackers recognize them as easy targets that generate significant yields of this prized information, and accidental losses of such information by employees can have disastrous effects.

Breaches of accountants and accounting firms can result in grave damage because the lost data is so immediately and directly useful for financial and identity theft, such as fraudulent tax filings, and their

clients are commonly wealthy individuals and profitable businesses with well-funded accounts and valuable identities and credit. Though hurtful to the clients, such breaches can be catastrophic – even a killer – for accountants and accounting firms, which rely heavily on their reputation in the community and the trust of their clients for future business.

To reduce the vulnerability to a cyber breach and mitigate the damage that results if such a breach does occur, every accountant and accounting firm should engage in the following five step data security risk management process:

1. Retain an experienced data security attorney to conduct a comprehensive data security risk assessment of the business' physical, technological and administrative infrastructure.
2. Prepare a risk assessment and vulnerabilities report, and implement a strategy to remediate the business' data security vulnerabilities, including obtaining appropriate cyber liability insurance.
3. Create and implement a written data security policy, and formalize business practices and procedures that address cyber risks.

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## 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 Amanda at 603-622-1999 or email [arenfrew@nhscpa.org](mailto:arenfrew@nhscpa.org)



## Accountants Face Significant Cyber Risk

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4. Train all employees about the data security policies, practices and procedures, as well as common cyber threats faced by the business.
5. Conduct periodic reassessments and updated employee trainings.

### Risk Assessment

Step one involves identifying the information the business has that is legally protected, for example, under state data security laws or federal laws or regulations such as HIPAA, Securities and Exchange Commission regulations, and Federal Trade Commission regulations. It is critical to do so because the fines imposed by regulators for failure to comply are significant – commonly hundreds of thousand dollars for a moderate breach, increasing to over a million dollars for a larger breach. The legally protected information is mapped through its lifecycle (e.g., from receipt and creation, through use and transmission, to disposal and destruction), and areas of non-compliance or risk are identified using the legal requirements and standards of applicable laws and regulations. This is a highly collaborative process between the managers of the business, competent IT professionals (inside or outside the business, or both), and legal counsel experienced with this area of the law and qualified to understand technological, physical and administrative security matters.

### Assessment and Vulnerabilities Report and Remediation

Step two flows from the areas of non-compliance and risk identified in the assessment. Priority is assigned to items that are relatively easy to remedy, that do not comply with applicable law, or that embody significant risk. The business creates a timeline for addressing the issues, then identifies and implements solutions for those vulnerabilities. Remediating vulnerabilities

frequently depends on the availability and affordability of technological, physical or administrative solutions. As a result, it is common for a business to require a year or more to properly address all vulnerabilities identified in an initial assessment. In addition, it is critical for accountants and accounting firms to obtain cyber liability insurance appropriately tailored to their particular businesses, as such insurance can cover a large portion of the direct costs incurred when responding to a breach.

### Data Security Policy

The data security policy, and the formalized practices and procedures, are created from the information gathered during the risk assessment and the remedies implemented or anticipated for the vulnerabilities. Policies, practices and procedures created in the absence of a comprehensive risk assessment are pure guesswork, and do not comply with state or federal law or accepted practice. No two business' policies,

[CONTINUED ON PAGE 14 >](#)

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## Accountants Face Significant Cyber Risk

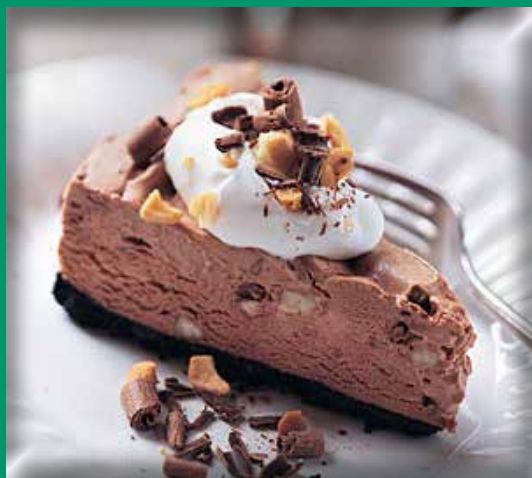
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practices or procedures are the same because no two businesses are the same, and there is no boilerplate for this process.

### Employee Training

The fourth step is an integral component of data security compliance. Employees handle protected data on a daily basis, and therefore need to be taught about data security generally as well as the business' specific policies, practices and procedures. Likewise, properly trained employees know better how to avoid breaches, how to recognize an actual or potential breach, and how to properly respond in such circumstances.

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### Reassessment and Retraining

Security reassessments and periodic retraining are required and natural for any business committed to data security compliance. Reassessments are used to address vulnerabilities from new or different technologies, changed physical or administrative systems, or novel external threats. Also, as a business becomes data security aware, it frequently identifies previously unknown vulnerabilities and adopts remedies that enhance security beyond the measures implemented after the initial risk assessment and report.

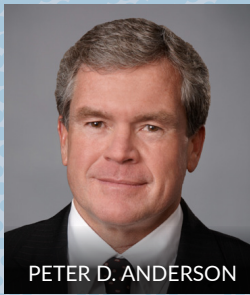
Accountants and accounting firms are targets for cyber attacks as well as disproportionately vulnerable to damage from data loss due to employee mistakes, because of the repositories of valuable sensitive personal and financial information entrusted to them. Following the five steps outlined above will enable them to reduce their vulnerability to a cyber breach and mitigate the damage that results if such a breach occurs.



Cameron G. Shilling is a Director at McLane Middleton, P.A., where he is the Chair of the firm's Privacy and Data Security Group. In his 20 plus years as an attorney, Cam has managed, litigated and resolved numerous data security, technology and complex litigation matters throughout New England and around the country. His depth and breadth of experience in data security includes managing risk assessments, preparing and implementing written data security policies, training executives, managers and employees, addressing day-to-day security issues, and investigating and remediating breaches.



Ramey Sylvester is an associate at McLane Middleton, P.A., where she works in the firm's Corporate Department and Privacy and Data Security Group. Her work includes preparing and implementing data security policies, and investigating and remediating security breaches. They can be reached at [cameron.shilling@mcclane.com](mailto:cameron.shilling@mcclane.com).



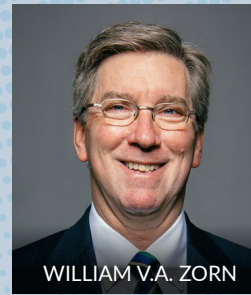
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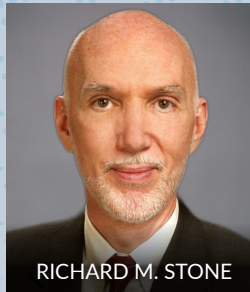
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**Nathan Wechsler & Company, PA** would like to recognize **Wayne Geher, CPA, CFE, principal**, for participating as a panelist for the New Hampshire Society of CPAs program titled "The Next Step – From College to Career". The focus of the event was to provide information for college students transitioning into the working world. They are also thrilled to welcome **J. Christopher Currie, CPA** to their team as a principal in the firm's tax department.



"Rusty" Mosca

Nathan Wechsler & Company, PA Firm Manager, **Oreste "Rusty" Mosca, CPA**, was recently elected to the board of directors for The Associated General Contractors of New Hampshire (AGC).

They are also excited to announce **William (Bill) J. Beauchesne, CPA, Principal**, has been awarded the Chairman's Award from the Exeter Area Chamber of Commerce.



Bill Beauchesne

**Matthew J. Nadeau, CPA, CFE, CVA** was recently voted in as Vice-Chair of Second Start's Board of Directors.



Matthew Nadeau

Nathan Wechsler & Company, PA is pleased to announce the addition of **Nina Ann Timney** to their team of professionals.

**Caron & Bletzer, PLLC** is pleased to announce that **Marcia Baker, CPA** has been promoted to Principal within the firm.

**Baker Newman Noyes** in Manchester, NH recently promoted six employees across its tax, audit and operations divisions. **Jessica Bouchard, CPA**, was promoted to senior manager in the audit practice. **Michael Hotchkiss, CPA, MST, MSA, MBA**, was promoted to senior manager in the tax practice. **Cynthia Manning, CPA, MSA**, was promoted to senior manager in the tax practice. **Krystal Martin, CPA, MSA**, was promoted to senior in the risk and business advisory practice.

**Howe, Riley & Howe**, an accounting and CPA firm with offices in Manchester and Portsmouth, has been named **Best Accounting Firm** in *New Hampshire Business Review's* 2017 BOB Awards. The award marks the seventh year in a row they have taken home the honor.



Sonata McPhail



Julian Omeally

**Howe, Riley & Howe** is pleased to welcome four new Associates', including **Sonata McPhail & Julian Omeally**, to its Manchester team.



## 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: [arenfrew@nhscpa.org](mailto:arenfrew@nhscpa.org)



## FELLOW MEMBERS (CPAs)

**Robert Bartley**  
Bedford, NH

**Logan Chase**  
Newmarket, NH

**Sean McKay**  
Manchester, NH

**Jennifer Moran**  
Salem, NH

**Karyn Richardson**  
Concord, NH

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Bedford, NH

**Pamela Ewart**  
Concord, NH

**F. William Maroni III**  
Swanzey, NH

**Kenneth Peterson**  
Portsmouth, NH

**Nancy Remy**  
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**Jeremy Stinson**  
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**Michael Alexander**  
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**Madison Cheever**  
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**Daniel Elysee Jr.**  
Danbury, CT

**Nicholas Fanjoy**  
Wakefield, MA

**Emmanuel Gagne**  
Farmington, NH

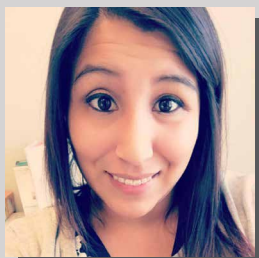
**Danielle Mailman**  
Hooksett, NH

## AFFILIATE MEMBERS (CPAs)

**Carla McCall**  
Westborough, MA

**David McManus**  
Westborough, MA

# Welcome!



**Juliana Summers**

**The NH Society of CPAs is happy to welcome Juliana Summers as our new Finance Manager.**

Juliana comes to us from Southern New Hampshire University, where she most recently worked as an Admission Counselor while obtaining a Masters Degree in Accounting – her true passion.

Prior to her tenure at SNHU, Juliana also achieved her Bachelors degree at The New England Institute of Art studying photography, which led to creating her own successful business. She decided to return to school to get her MS in Accounting to enhance her professional skills and eventually become a CPA. Juliana still enjoys photography, which is a skill she is happy to share with the Society along with her finance acumen.

In her spare time Juliana likes to spend time with family and friends and especially, her two dogs, Sammy, who is a long haired Chihuahua and Jesse, who is a lab terrier mix. She is very excited about joining the Society and embracing the new changes and opportunities ahead while utilizing her creativity and analytical skills.



## FOCUS ON YOUR NHSCPA BOARD MEMBERS

### Kendra J. Bell, CPA

**Employer Name:** Crane & Bell, PLLC

**Position:** Partner

**Years with firm:** 17

**Birthplace:** Vermont

**First job ever:** Feeding calves on the family farm

**First CPA job:** With current firm

**Year passed CPA exam:** 2005

**Alma Mater:** Plymouth State University

**Family:** Husband, Russell; Daughter, Sophia (8) and Son, Curtis (5)

**Professional/Community affiliations:**  
Member of Lancaster NH Rotary Club and AICPA; Serve on board of Morrison Hospital Association in Whitefield, NH; Coös Economic Development Corporation and NHSCPA

**My best asset:** Organized (some would argue to a fault!)

**My favorite food is:** Pasta

**My favorite author is:** Too many to narrow down to one!

**The last book I read was:** *Year of Yes* by Shonda Rhimes

**If I could, I would write a book about:**  
My grandfather's 92 years of life, including serving in WWII at Iwo Jima

**Favorite movie of all time:** Grease

**Favorite television show:** Scandal

**Dream Vacation:** Tropical Island

**Best advice ever received:** "It's all about making memories with your kids, it doesn't have to be a grand gesture or cost a lot of money to make a memory."

**If there's one thing I won't do, it's:** Stop learning

**My pet peeve is:** Spelling errors

**Though I was proved wrong, I once said I'd never:** Live on a farm when I grew up!

**Future goal:** Learn more about horticulture- always thought if I wasn't an accountant I'd want to own a greenhouse.

**One word to sum me up:** Dedicated

**Goals for the Society:** With my upcoming year as President and our launching of a new strategic plan, it is all about engaging members and being a valuable resource. No small task, but we are up for it!

**Something about me people don't know:**  
I used to be pretty good at fly tying but have never actually gone fly fishing. I am told the flies do work though!

**Heroes:** My grade school English Teacher, Ms. Duguay, who opened the door to my love of reading

**Best Lesson Learned:** "You are stronger than you think!" Always true!

**Words of Wisdom:** This really resonates with me lately... "If the words you spoke appeared on your skin, would you still be beautiful?"

# R&D Tax Credits – Exciting Changes and Benefits

By David Fleischer, Principal, Business Resource Services

## ***Small Business Offset for Payroll Tax and AMT***

When can you recall new tax laws being good news for business? U.S. manufacturers and technology companies are only beginning to realize that federal income tax provisions contained in the recently enacted Protecting Americans from Tax Hikes Act of 2015 (PATH Act) are certainly worth being excited about. The PATH Act, which was signed into law in December 2015, made the R&D tax credit a permanent piece of the federal tax code and created additional benefits for small businesses and startup companies.

First, let's touch on the benefits that exist prior to the new changes:

- The Federal R&D Tax Credit is a general business tax credit for companies that incur R&D expenses in the United States.
- In addition to the Federal R&D credit, 38 states offer their own tax credits, including New Hampshire, Vermont and Massachusetts.
- Federal and state tax credits can amount to as much as 20% of the costs incurred developing new products and/or processes, or improving existing products and processes.
- Almost any industry qualifies, including manufacturing, technology, software development, engineering firms, life science/pharma, construction and many more.
- Companies can claim credits for up to 3 prior years.
- Excess federal R&D credits can be carried forward for up to 20 years. In most states, excess state credits can also be carried forward.
- Most company executives are surprised as to how much of their expenses qualify. Credits can add up to tens of thousands of dollars for companies having less than \$5 million in revenue.

## **New Changes – The Offset of Alternative Minimum Tax**

For S-Corps and LLC's that earn research tax credits as a result of their development efforts, the credits "flow-thru" to the shareholders on their respective Schedule K1s that define their portion of the business earnings. The amount of the credit designated to each shareholder is proportioned according to their percentage share of ownership of the business. This credit is unlimited and directly reduces the taxpayer's tax liabilities.

Up until now, R&D Tax Credits could only be utilized to reduce "regular tax", and only then down to the amount of the taxpayer's AMT. This greatly limited those that could take full advantage of the credit and as a result, taxpayers often had to carry forward the federal credits as long as 20 years.

*Eligible small businesses* can now use the credit to reduce alternative minimum tax (AMT) as well as regular tax. This change in the tax law will have a profound effect on S-Corps and LLC's regarding returns filed for 2016 and subsequent years, as the income tax benefits for these entities were severely limited by AMT in prior years.

[CONTINUED ON PAGE 20 >](#)

## 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"

## R&D Tax Credits

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*Eligible small businesses* are defined as:

- Corporations, partnerships, and sole proprietorships that had average gross receipts of \$50 million or less during the 3 years preceding the tax year in which a claim is to made.
- The corporation's stock is not publically traded.

*Certain restrictions:*

- This change is limited to those filings beginning with tax year 2016 and later.
- For those that have carryforwards from previous years, the credits cannot be used to offset liabilities in tax year 2016 if the taxpayer is still in AMT. These credits can only be utilized against income tax liabilities only if/when the taxpayer is outside AMT in subsequent years.

### New Changes – The Offset of Payroll Taxes up to \$250,000 per year

Qualified small businesses are able to offset a portion of their payroll taxes using R&D credits. Such businesses interested in saving valuable payroll tax dollars should understand these key points:

- Beginning in 2017, qualifying businesses may offset the Employer portion (6.2%) of the FICA portion of their payroll taxes using R&D tax credits claimed on their 2016 and future federal returns.
- Qualified small businesses are defined as corporations or partnerships having gross receipts of \$5 million or less during the taxable year, and that did not have gross receipts for any year preceding the 5 year period ending with the taxable year.
- R&D tax credits are applied against quarterly payroll tax payments. In any given year, the maximum payroll tax offset allowed is \$250,000.
- Payroll tax savings can be realized in 2017, after the corporation's 2016 federal return has been filed.

- The first quarter eligible for using the R&D Tax Credits against quarterly payroll tax payments is the second quarter, 2017.
- Unused credits can be carried forward and used against future payroll tax payments.
- IRS has updated form 6765 to accommodate this new application of the credit.
- IRS has released a new Form 8974 to be filed with the quarterly Form 941.

**To demonstrate how the new regulations would apply to a typical startup company, have a glimpse at the following example:**

*A manufacturing company founded in 2014 was established by two college friends for the purpose of developing, producing and selling a line of state-of-the-art components for the consumer sound-system market. The owners of the business invested their personal savings into the enterprise and by late 2015 had sold their first 1000 products for a sum of \$500,000.*

*Entering 2016, the company had seven employees on staff, including the owners, all of whom received a W2 salary. Throughout 2016, the company continued its product development and manufacturing efforts, which resulted in revenue of \$1,500,000 while incurring \$480,000 of qualifying research expenses. In early 2017, the company filed its 2016 tax year return, showing a net loss of \$150,000 and an R&D credit of \$48,000. Using the R&D tax credit, the company was able to offset \$11,500 of the FICA portion of its second quarterly payroll tax payment in 2017. The excess R&D tax credit of \$36,500 was then carried forward to offset the payroll tax payment for subsequent quarters.*

---

Dave is a Principal at Business Resource Services ([www.BRSHUB.com](http://www.BRSHUB.com)) where he manages the R&D Tax Credit practice. For further information about how the R&D Tax Credit can help you and your clients please call him at 781-640-6610 or send an email to [Dave@BRSVT.com](mailto:Dave@BRSVT.com).

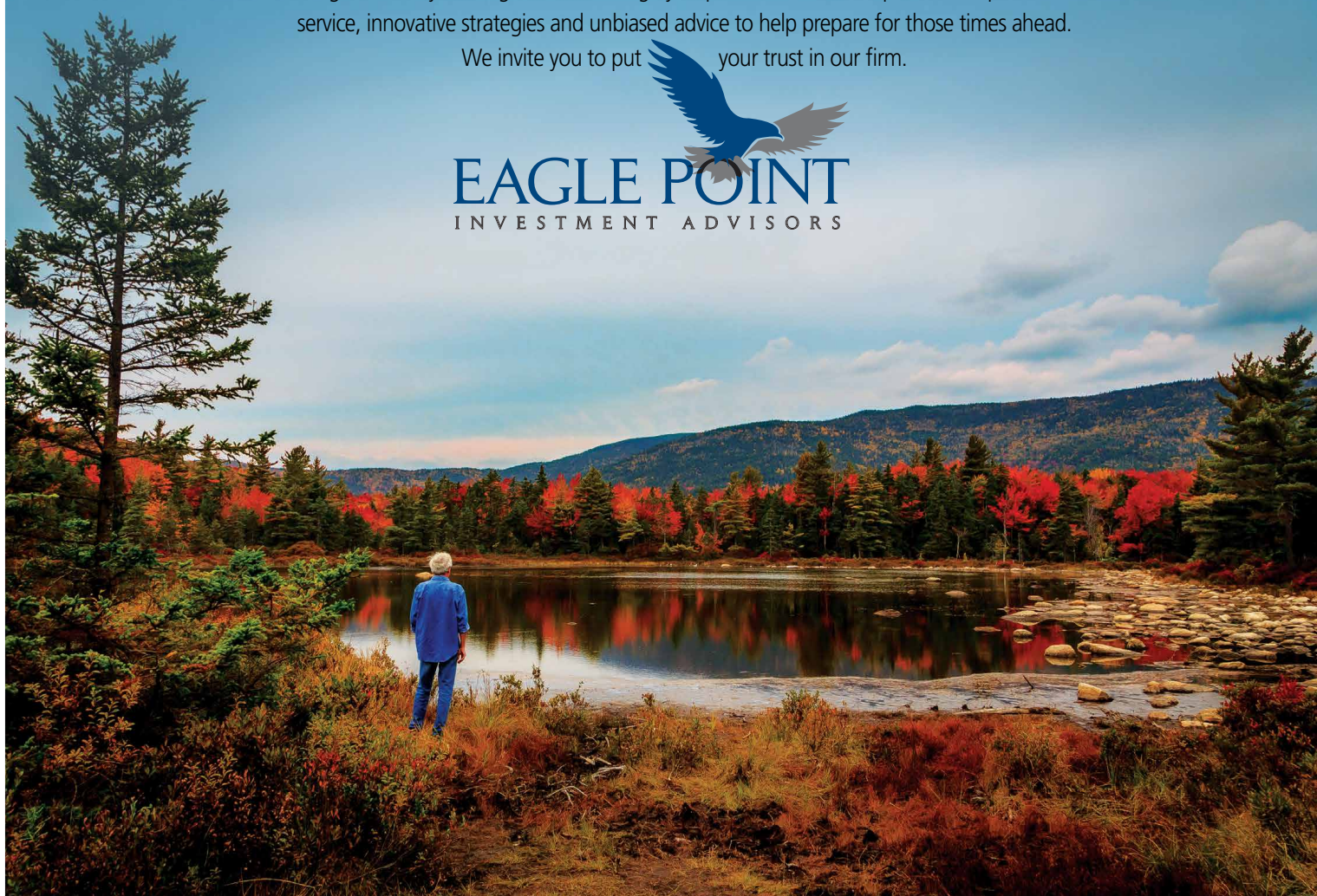


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# Email Phishing: Know the Enemy

By Travis Vogt, CPA, CISA

Think of your email inbox as a wide open virtual front door to your computer network, as it is inherently necessary to allow communications from outside parties to come in. It's through this access that attackers use phishing campaigns to try to breach your network. Phishing, in its simplest terms, refers to an attacker masquerading as someone or a business to get you to do something you shouldn't. There are many types of phishing, from phone calls to text messages but, by far, the simplest and most effective method is email.



Sun Tzu wrote in *The Art of War*, "If you know the enemy and know yourself, you need not fear the result of a hundred battles." If you know how cyber criminals use email phishing, and know what you can do to prevent being a victim, you can be more secure when accessing your inbox. Here are three popular goals of phishing emails and what can be done to prevent and mitigate the potential damage:

## ATTACK GOAL: Holding your data hostage

This attack is based on a classic email phishing scenario that's been around for decades: tricking the target to unknowingly install malware. In the past, these tended to be viruses or worms that wreaked havoc on the victim's computer. Although these destructive payloads still exist, attackers are turning to a much more profitable endeavor: ransomware. This variety of malware uses strong encryption to lock files, rendering them inaccessible. The only way to regain access and (nominal) control is to obtain the key to unlock the files by paying the attacker's ransom, and there's no guarantee the key will work.

Ransomware typically is deployed through a phishing email in one of two ways: an attached document or a hyperlink in the message body. The malicious attachments can seem benign (a Microsoft Word document or a PDF file), but once opened, macros or embedded code run silently in the background and install the ransomware. Similar to attachments, hyperlinks may not show any sign of concern because it's simple to disguise the destination of a link. Once installed, ransomware goes to work encrypting as many files as it can access. Depending on how your network storage is configured, a ransomware attack could mean a staggering amount of files potentially are lost forever. It's likely the entire drive will be encrypted before you notice anything happening.

## PREVENTION

Applications used to access email should be configured to open attachments in a "read-only" mode and also block particularly risky file types such as java script (.js) and executables (.exe). These barriers may delay or deter ransomware before it begins self-installation. It's also a good idea to use anti-malware software to scan incoming mail for links to known malicious sites. By far though, the simplest and most effective prevention method is teaching employees to think before clicking a link or attachment.

Incremental backups and testing the restoration capability of those backups should be a standard, pre-scheduled procedure. If you're infected with ransomware, being able to restore data to a point in time before the attack means you may lose a day or two's worth of work instead of years of data.

CONTINUED ON PAGE 23 >

## Email Phishing

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### ATTACK GOAL: Steal sensitive data

The goal of this phishing attack is to convince the victim to provide sensitive data. Personally identifiable information (PII) such as a list of Social Security numbers and financial accounts with associated names and addresses can be very valuable to criminals. Increasingly, personal health information (PHI), including health insurance identification, is being compromised. Company confidential information, such as customer lists, also is being stolen. The more actionable information attackers can get, the more they can sell it for, so they're becoming more personalized and targeted. Although social engineering still is the dominant means of hacking, criminals use social media and other publicly-available information to determine the organization structure of a target company. This allows them to spoof the email address of high-level personnel to elicit PII from target employees.

### PREVENTION

Always confirm the validity of the request through some other channel, such as in person or over the phone. Implement and enforce company policies requiring personally identifiable information be encrypted if sent through email. When encrypting, use a strong password with at least 10 characters and a mix of upper- and lower-case letters, numbers and special characters.

### ATTACK GOAL: Obtain your username and password

This attack has a simple goal: obtain your login credentials. This is where social engineering produces major returns for criminals. With the increasing reliance on cloud-software storage, attackers only need a user name and password to remotely gain full access to those resources. These breaches can quickly multiply if the victim has poor password techniques, such as using the same password for multiple sites.

The typical phishing technique involves sending an email that looks identical to one you'd receive from

your bank, cellular provider or company IT department. The email will contain some sort of urgent request, such as a large charge on your credit card that needs to be verified, and a link to login to your account. The destination of the link is a site that looks identical to the expected page. However, when you log in, rather than accessing your account, you will have provided the attackers your username and password.

### PREVENTION

Never click a link in an email you didn't explicitly request or confirm independently. Did you request a password change and receive an email with a link to change it? Click away. However, say you receive a fraud alert from your credit-card company, verify it by going directly through the company website you normally use. Always use unique passwords for each website or service. This will limit the scope of a breach, if it occurs. Consider using a password manager (there are numerous secure providers available) to help organize and store passwords for multiple sites.

Phishing is a very real threat to anyone who uses email. Because email allows attackers from any part of the world the potential to directly access your system, and because phishing attacks are so successful, they're not going to slow down anytime soon. The good news is you can mitigate the potential damage by using the most conservative (and these days, practical) advice. It's easy to be complacent when checking your inbox, but you absolutely must remain skeptical of all links, attachments and requests. Cyber criminals are counting on you to do otherwise.

---

Travis Vogt, CPA, CISA is the IS Compliance Manager at Landstar System, Inc. in Jacksonville, Fla. He holds a bachelor's in accounting from the University of Florida and a master's in accounting from the University of North Florida. Before joining Landstar, Vogt worked as an auditor for KPMG.

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## Change is Coming: 2017 CPA Exam FAQs

By Becker Professional Education

### When will the next version of the exam launch?

The new exam will launch April 1, 2017.

### Will candidates still need to score a 75 to pass?

Yes, a score of 75 will be required to pass the new exam.

### Is the new exam expected to be harder?

Yes, the new exam may be more difficult than the existing one. The current CPA Exam tests two skill levels – Knowledge & Understanding and Application. The new CPA Exam will test four skill levels – Remembering & Understanding, Application, Analysis, and Evaluation. Analysis and Evaluation are considered to be higher-order thinking skills. The testing of these additional skill levels will increase the overall difficulty of the exam. Also, the AICPA is increasing the proportion of Task-Based Simulations (TBS) on the FAR, AUD and REG Exams from 40% to 50% and is adding TBS to the BEC Exam (in addition to the written communication questions).

### How many pretest questions will be on each part?

The number of pretest questions is expected to stay the same – 10-15 Multiple-Choice Questions (MCQs) and 1 TBS/Written Communication per part.

### If I start the exam before the changes, do I have to retake the sections I already passed?

Candidates who do not pass all four parts before the 2017 changes will be able to keep scores on sections they passed (unless the 18 month window expired).



### Are there any strategies that may help me get through the exam before it changes?

If you are graduating in June 2016 and meet the educational requirements to sit for the exam, you will have almost 12 months to prepare and pass before the exam changes. For candidates with less time, you may want to consider an accelerated CPA Review like Becker's FastPass which can help you prepare for the exam in as little as 12 weeks, instead of months. Also, in some states you may be able to sit for the Exam as a provisional candidate before you graduate. For example, Illinois allows candidates to sit for the exam while completing your final term (final transcripts must be submitted within 120 days (4 months) of exam date. Be sure to fully research the requirements for taking the exam outlined by your State Board of Accountancy so that you can sit as soon as possible.

### Will the simulations on the BEC Exam contain material from all the other sections?

The AICPA has stated that at least one of the TBS on each part of the Exam will include elements from other parts of the Exam, but these elements will be

CONTINUED ON PAGE 26 >

at a basic level (as covered in a college course). For example, a TBS on inventory observation on the AUD Exam could require students to understand basic financial accounting concepts related to inventory. The BEC Exam will not have a “capstone” TBS that covers materials from all parts.

### Is there a recommended sequence to take the new exams given the use of integrative simulations?

The AICPA has stated that they will not recommend an order for the exams. However, it is generally best to take the FAR Exam before the AUD Exam because questions on the AUD Exam often refer to financial accounting concepts. It can also be beneficial to take the BEC Exam last because some BEC content relates to the other three parts of the exam (e.g. corporate governance, ethics, internal controls, debt and equity, working capital, hedging).

### What impact, if any, will the exam changes have on the score release timeline?

The AICPA expects a 10-week delay in the release of scores following the close of the initial testing window for the new exam (second quarter of 2017). For the third and fourth quarters of 2017, scores will be released approximately 10 days after the close of the testing window. In 2018, the AICPA expects to move back to the current score release timeline.

### How will IFRS be tested on the new exam?

On the new FAR Exam, the testing of IFRS will be limited to testing only the differences between IFRS and U.S. GAAP rather than testing IFRS in its entirety as a standalone financial accounting and reporting framework.

Also, International Standards on Auditing (ISA) are currently testable on the AUD Exam, but will NOT be testable on the new AUD Exam.

### Is the exam changing because the examiners thought it was too easy?

No. The exam is changing because the AICPA is committed to keeping the CPA Exam relevant to the accounting profession. The AICPA performed a practice analysis in 2014 in order to assess the relevance of the current exam and came to the following conclusion:

“Overall, the research demonstrated that the profession supports the initiative to make meaningful changes to the exam, to operationalize the testing of higher order skills and to align more closely with the types of tasks regularly performed by newly licensed CPAs.”

### When will the exam blueprint be finalized?

The AICPA’s *Practice Analysis Final Report*, which outlines the new CPA Exam, was released on April 4, 2016.

### Will there be any changes to exam administration – dark months, 18 month rolling window, etc. still the same?

Starting in the second quarter of 2016, testing windows were extended by 10 days into the third month of each quarter to provide additional testing time. This 10-day extension will continue through the end of 2017, with the exception of the second quarter of 2017 when the new Exam launches.

The AICPA is considering making the following changes to exam administration:

- Extending the 18-month rolling window to 24 months.
- Allowing students to retest for a failed section of the exam in the same testing window.

The AICPA would like to make these changes, but have not set a timeline for the changes because of the complexity of implementation and the required approval process.

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# Accounting's Talent War:

## *Why Firms are Rethinking how they Attract Top Talent*

By Chris Baudler, MBA, MA, CSSBB



**Hiring accountants and finance staff has once again been ranked by the human resource consulting firm, Manpower, as the seventh most difficult job to recruit for.** For almost a decade, demand for high quality accounting talent in Ohio has been growing, and firms are experiencing unprecedented difficulty finding experienced and collegiate-level candidates. For most firms this has become an economic recipe for painfully slow growth and missed client engagements.

With so much competition for top accounting talent, job candidates are asking two very tough questions, and many accounting firms are struggling to provide answers.

**“Why should I come work for you?” and “How does your firm stand out from other firms?”**

### Industry Recruiting Woes

We recently asked a firm's director of recruiting how he would answer these questions, and his response was five seconds of dead silence, a long exhale and an almost imperceptible shoulder shrug. After 11 years leading his firm's recruiting function, he was at a loss for words to explain how his firm stood out from the competition.

Over the last four years his Cleveland based mid-sized firm experienced unprecedented levels of difficulty filling their open seats with top, experienced and collegiate-level accountants. His firm tried every recruiting and HR best practice they came across to entice qualified accountants to apply.

Some of these include:

- Top-notch training
- Flexible work schedules
- Above-average salaries
- Personalized career paths
- Involvement in community outreach
- Mentoring programs
- Career-life balance
- CPE reimbursement
- Signing bonuses

They even upped the financial ante for employee referrals, hoping this would persuade their current staff to recruit talented friends. Unfortunately, despite all of the firm's efforts there was little change in their number of applications, and the problem only seemed to be getting worse.

### Challenges in Recruiting Top Talent

In the last five years we have interviewed hundreds of recruiters, COOs and partners to better understand how they were managing staff and the challenges they were experiencing. Without exception, every one of them believed they were providing excellent workplace

cultures that were values-driven, collaborative, development-focused, community-centered and very rewarding for employees. Many of these firms were even recognized as “employers of choice” by Inside

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## Accounting's Talent War

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Public Accounting's Best of the Best and Great Places to Work. Also, without exception, every one of them was still struggling to recruit talent.

The firm mentioned in the introduction was twice awarded as one of those Best of the Best employers. However, their plan to grow this year by 7% was looking more and more unlikely, and it was little solace to know they were not alone.

### The Recruiting Woes Continue

Ask any director of recruiting, COO, or partner and they will tell you recruiting top talent is their first or second leading concern. They are quick to add they have found traditional recruiting and HR best practices no longer sufficient to draw the interest of top talent.

Former, highly-touted recruiting and HR best practices such as those listed earlier have become par for the course, and many firms have once again found themselves struggling to communicate to applicants what makes their

job offers unique. In the end, most only find themselves digging deeper in their pockets for more pay or extravagant perks. Some firms have even gone so far as to offer car leasing programs and breakrooms complete with video game systems, ping-pong tables and nap rooms.

Many forward thinking firms have found themselves back at the drawing board to reevaluate how they approach recruiting, and for a way out of the vicious cycle of "one-upping" competitor's pay and perks. For some, the future of their firm depends on it.

### Diamonds in the Rough

Amongst the more than 1,800 firms in Ohio, a handful are bucking the trends and growing at considerable rates. We have worked with eight firms who have grown their staff between 10% and 20% over the last year, all without compromising on the quality of new hires, or offering outlandish salaries or gimmicky perks. These firms became "talent magnets" by developing and implementing

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unique and meaningful employee-facing brands. This branding created an almost endless supply of high quality, experienced and collegiate-level applicants, saving them thousands of dollars in recruiting expenses and hundreds of hours in time.

### What is Employee-Facing Branding?

An employee-facing brand is a comprehensive, marketing-infused HR strategy that communicates a clear and attractive message to job candidates about a firm's culture, why it's a desirable place to work, and how the firm's job opportunities stand out from competitors. Coincidentally, these points are also where most firms currently struggle.

According to Harvard Business Review, employee-facing branding is, "an organization's reputation as an employer, as opposed to its more general corporate brand reputation... defined by the key benefits, or value propositions, offered by the company as an employer". (See also "CEOs Need to Pay Attention to Employer Branding." HBR, 2015.)

In recent decades, employee-facing branding has become highly revered by the technology, insurance, banking and pharmaceutical industries because of its immediate and lasting effects on recruitment. Only recently has this strategy been adopted in the accounting industry, but the effects are already being felt. One firm was able to increase job applications by 3,000%, improve offer acceptances by 80%, and reduce cost-to-fill by 60%. Many firms are also able to indefinitely cut their ties to expensive recruiting services like LinkedIn Recruiter, Accountingfly and external staffing agencies.

### How to Develop Employee-Facing Branding

The following three steps will allow your firm to attract higher quality candidates in less time, with less hassle and a lot less money.

**1. Create firm-specific statements that resonate with your job candidates and employees.** Develop three to five brand statements based on cultural values and experiences unique to your firm, and that meet job

candidates' needs, values and desires. Keep the statements simple, aspirational and attractive to candidates, yet grounded in the reality of working for your firm.

**2. Integrate brand statements into all candidate-facing communications to create consistent brand messaging.** The best firms realize top talent may not even make it to their career page if their job postings and brochures do not provide messaging that is unique and meaningful. Integrate your branding into all candidate-facing communications to create an attractive and uniform applicant experience.

**3. Champion current staff members to create and share complimentary messaging.** This last step is critical for the successful implementation of an employee-facing brand. Your staff members' perspectives will resonate with job candidates in a way no recruiter, HR employee or partner can. This is one reason why online company review sites like Glassdoor.com are frequented by more than 80% of job candidates before they apply. Your staff knows what it is like to work for your firm, and can tell stories that will bring your employee-facing brand to life. Advocate for them to write white papers, case studies and day-in-the-life articles to share with their network and the community.

As many firms in Ohio continue struggling to attract top talent, some firms are standing out from competitors by developing strong employee-facing brands. These brands communicate how their job opportunities are unique, meaningful and worthy of a candidate's consideration. This approach has immediate and lasting effects on recruitment – all without compromising on the quality of new hires, or offering outlandish salaries or extravagant perks.

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Chris Baudler is a partner and lead consultant in The Robby Group's People Strategy practice.

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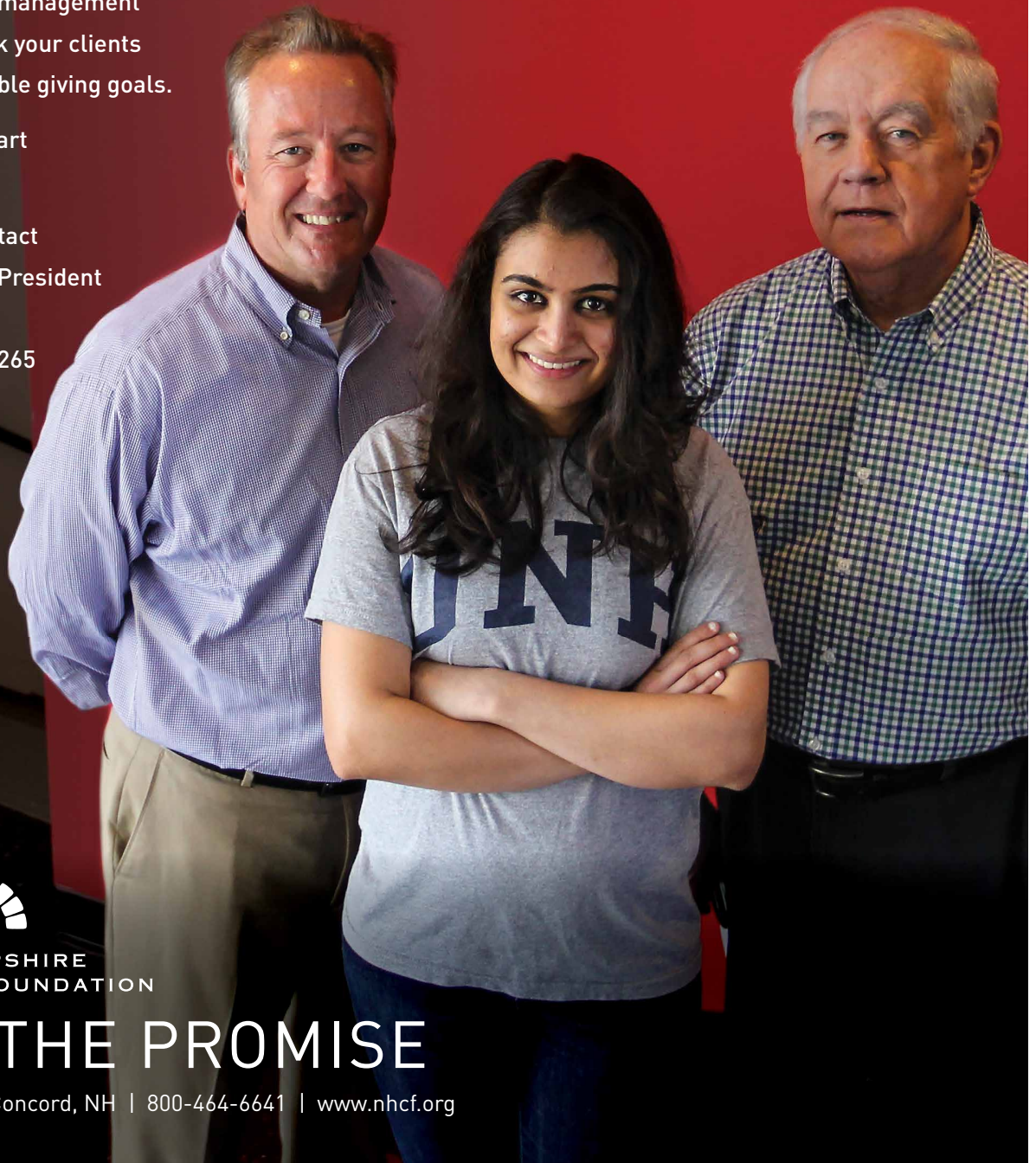
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# CPA Firm Management Association

Firm owners - does your firm administrator, Office Manager, or COO belong to the CPAFMA? If not, please share this information – this resource will save the person running your firm time and energy!

Firm Administrators - Do you ever need Best Practice advice or are evaluating new software and want to talk to someone already using it or need some new recruitment/retention ideas? Don't recreate the wheel - that resource exists!

CPAFMA (CPA Firm Management Association) is a national organization with a local Northeast chapter whose goal is to provide educational and collaboration opportunities to those running CPA firms (whatever the title COO, Firm Administrator, Office Manager). The CPAFMA provides resources in areas of best practices, strategy/partner issues, HR, technology, finance, marketing, business development, and more, both via in-person or call in meetings and via the member

website. This is a wonderful way to gain access to a network of people doing what you do across the country who are willing to help. Check out the website and join today!

[CLICK HERE for more information or to join.](#)

With your normal CPAFMA membership benefits, you will be made aware of Northeast Chapter in person and call-in meetings. You will also get a free Firm Administrator membership to the NHSCPAs; a great way to stay up to date on news, events and CPE for everyone in your firm.

The next Northeast Chapter in person or call in meeting is on **Friday May 4th in the NHSCPA Classroom** – join and be part of the network! If you have further questions, please feel free to call or email Lee Kubishta (NE Chapter Board Member) at [lkubishta@MelansonHeath.com](mailto:lkubishta@MelansonHeath.com) or 603-882-1111.

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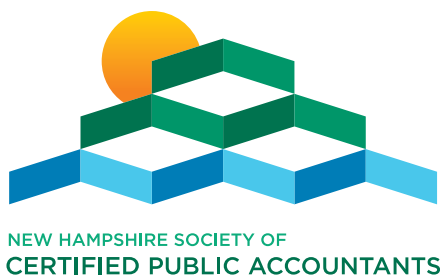


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## EVENTS

**MAY 9, 2017**

**2017 Annual Meeting  
& CPA Inauguration**

Manchester Country Club  
Bedford, NH

**JUNE 6, 2017**

**14th Annual Golf Tournament &  
Business Partners' Networking  
Event**

Candia Woods Golf Links  
Candia, NH

**SEPTEMBER 21, 2017**

**3rd Annual NHSCPA Women's  
9-Hole Golf Outing**

Stonebridge Country Club  
Goffstown, NH

**NOVEMBER 10, 2017**

**Surgent McCoy's Federal Tax Camp**  
SERESC Conference Center  
Bedford, NH

**NOVEMBER 30, 2017**

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

Grappone Center  
Concord, NH

**DECEMBER 7, 2017**

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

# 14<sup>TH</sup> ANNUAL NHSCPA GOLF TOURNAMENT & BUSINESS PARTNERS' NETWORKING EVENT

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