



PCPS BRIEF

December PCPS Brief

Valuable Busy Season Resources for PCPS Members

As preparation for busy season begins in earnest, this Brief will review current technical developments of interest and offer a round-up of resources available free to PCPS members to help them understand and implement new guidance.

FIN 48 Effective Date Delay

Financial Accounting Standards Board Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, poses many implementation challenges for practitioners and their clients, but there is good news. The FASB last month decided to defer the effective date of FIN 48 for all nonpublic entities to periods beginning after December 15, 2007, one year later than the original effective date for these companies. The deferral was a major accomplishment for the Private Company Financial Reporting Committee, which had advocated for the delay with the FASB, and for the PCPS Technical Issues Committee. In a comment letter to the PCFRC, TIC urged the committee to ask FASB for a deferred effective date for private companies, as well as either a scope out or additional guidance for pass-through entities, which are subject to the interpretation. TIC also made its case before the FASB in its annual liaison meeting with the board.

With more time to familiarize themselves with the guidance, practitioners can turn for information to the *Practice Guide on Accounting for Uncertain Tax Positions Under FIN 48*, a free resource for AICPA members created by the AICPA Tax Section.

Find it at <http://tax.aicpa.org/Resources/Professional+Standards+and+Ethics/Practice+Guide+on+Accounting+for+Uncertain+Tax+Positions+Under+FIN+48.htm>

Risk-Based Auditing Resources

Many firms will be implementing the new AICPA risk assessment standards for the first time during the coming busy season. Keep in mind that the PCPS Risk-Based Auditing Toolkit contains many tools created to facilitate the education process and help PCPS members introduce the standards to clients.

The standards, Statements on Auditing Standards Nos. 104 through 111, are effective for audits of financial statements for periods beginning on or after December 15, 2006. For implementation and education purposes, the PCPS Risk-Based Auditing Toolkit contains:

- FAQs that answer practitioners' most common questions about the standards.
- An archived version of "The Risk Assessment Standards: A High Level Overview," the practical PCPS Practice Management Forum given by CPA Chuck Landes, AICPA Vice President of Professional Standards.
- A review of standards and a discussion of key implementation considerations.
- A glossary defining important terms.

Many CPAs are concerned about the best ways to describe the new standards to their clients, so the Toolkit provides resources they can use to do that, as well. They include:

- A client communication letter that CPAs can adapt and circulate to explain the new requirements.
- A talking points document. Presented in a Q&A format, the document covers the types of questions clients may ask and provides the answers.

You can find the Toolkit at [http://pcps.aicpa.org/Resources/ Keeping+ Up+With+ Standards/Risk+ Assessment+Standards+Implementation+ Guidance.htm](http://pcps.aicpa.org/Resources/Keeping+Up+With+Standards/Risk+Assessment+Standards+Implementation+Guidance.htm).

SAS 112 Toolkit

If your firm wrestled with this complicated standard during last year's busy season, the PCPS SAS 112 Toolkit may help ease the implementation process this year. Resources include:

- An FAQ featuring common practitioner questions.
- An archived version of a PCPS Practice Management Forum presented by Chuck Landes.

For clients affected by the standard, the Toolkit offers:

- A client communications letter that describes the impact of SAS 112.
- A talking points document CPAs can use as a basis for discussions with clients.
- A PowerPoint that CPAs can use to present the standard to clients and staff.
- A newsletter or Web site template that firms can use to explain the standard.
- A client letter communications discussing significant deficiencies and material weaknesses that can be tailored to each specific situation.

You can find this exclusive PCPS resource at <http://pcps.aicpa.org/Resources/Keeping+Up+With+Standards/SAS+No.+112/SAS+No+112+Toolkit.htm>

Update on Technical Issues

What new standard-setting developments will affect small firms and their clients? The award-winning *TIC Alert*, issued by the PCPS Technical Issues Committee, cuts through the sometimes overwhelming array of new guidance to offer brief, easy-to-understand

descriptions of recent standard-setting activity and their impact on small practitioners and their private company clients. Find it at <http://pcps.aicpa.org/Resources/Technical+Issues+Committee+and+Communications/>. Practitioners can use current or archived versions to inform themselves or their staff about recent standards.

In addition, the Internal Revenue Service provides a special section for tax practitioners on its Web site at <http://email.aicpa.org/cgi-bin15/DM/y/ha650So1830FWa0ggR0Ev>.

Managing Busy Season Challenges

Busy season is a demanding time for all firm members. The PCPS Human Capital Center provides PCPS members with tools and information to address some of the many challenges associated with recruitment and retention in a tough hiring environment. For example, the Work/Life Balance section includes a Work/Life Retention Action Plan, as well as articles and resources that practitioners can use to create a less stressful work environment. Look for them and other tools at <http://email.aicpa.org/cgi-bin15/DM/y/ha650So1830FWa0eMX0EP>.

And don't forget to check out the articles in *Seasonality Success*, the PCPS member e-newsletter dedicated to helping practitioners make the most of busy season. Our next issue will examine:

- How to introduce value billing to your firm.
- Educating staff about the importance of client relationships.
- Finding the pleasure – and opportunities – in busy season.
- Adapting to the “less-paper” environment.

Remember, too, that there's a wealth of information and advice in previous editions, so look for them at the PCPS Firm Practice Center: www.aicpa.org/pcps.

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