



News & Views

PCPS May 2009

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BREAKING NEWS

- As part of its Reliability Initiative, the Accounting and Review Services Committee has issued proposed statements on standards for accounting and review services designed in part to add flexibility to the accounting and review standards. PCPS has long advocated for changes that would make it easier for practitioners to offer a wide range of client services and still comply with professional standards. This proposal will do just that. PCPS Executive Committee Chair David Morgan was the Chair of the AICPA Reliability Task Force, which made recommendations to AICPA Council calling for broader options for practitioners. **PCPS members are urged to review the EDs and offer their comments by the July 31 comment deadline.** The PCPS Technical Issues Committee will also be issuing a comment letter on the proposal.
- The Federal Trade Commission will delay enforcement of the new “Red Flags Rule” until August 1, 2009, to give creditors and financial institutions more time to develop and implement written identity theft prevention programs. The AICPA Specialized Communities & Firm Practice Management Team is preparing a document that will provide our members with technical guidance so that they are aware of the relevant analysis they should undertake to assess the potential applicability of any rules to their firm.

Letter from the Chair

What’s your firm’s financial outlook now that busy season is over? Many practitioners will be asking themselves this question during the days and weeks ahead. We know that the economy is suffering, credit is tight and clients are facing declines in business, cash flow challenges and employee cutbacks. But when we went to press with this issue, the economy was showing some signs of stability and we were hearing about many industries and parts of the country that were not as badly affected as others.

What does that mean for the future of your firm? During these uncertain times, PCPS and the Institute have been working to provide you with the information you need to monitor the economy, analyze your own situation and implement the best solutions. I hope you have all visited the [AICPA Economic Crisis Resource Center](#), a comprehensive resource that offers news and analysis on a wide range of topics. Be sure to check out the video with small firm survival tips from CPA Mark Koziel, a senior technical manager on the AICPA PCPS team. Mark also

Letter from the VP

I know that our members are very interested in any legislative and regulatory developments that will change the landscape for their firms and their clients. That’s why I wanted to bring you up to date on our efforts in response to IRS Section 7216, “Consent to Use and Disclose Tax Information.” The Institute has been working with the IRS to clarify practitioners’ responsibilities under this requirement, which became effective on January 1. It includes a far-reaching stipulation that tax preparers obtain written permission from the taxpayer before they disclose or use tax information. This can affect not only disclosure to third parties, such as bankers or investment firms, but also use of personal information for the distribution of newsletters and other information to clients. You can find out more about 7216 on the [AICPA site](#), including a practice guide on the subject.

Turning to the general economy, I hope our members are aware of some great resources for small business clients that make sense of the recent recovery act and small business plan. A sample client letter on the [PCPS site](#) explains President Obama’s small business initiatives, while client brochures on the American Recovery and Reinvestment Act of 2009 describe this legislation’s tax provisions. There’s also information on employer COBRA payments required for some employees under the act.

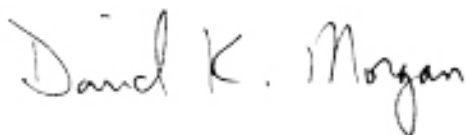
writes a [blog](#) addressing practitioner concerns on the site that has covered topics including small business lending, networking, customer service and layoffs.

Speaking of layoffs, as many firms face this possibility it's important to know that there are alternatives. These include making creative use of flextime and alternative work schedule policies and using paid or unpaid sabbaticals for both partners and staff. To help firms facing the issue, PCPS has created an outplacement support memo for human resources professionals that addresses legal, benefits and other issues, as well as an outplacement checklist that advises staff on the best steps to take in case they are laid off. They are both available in the [Performance Management](#) section of the PCPS Human Capital Center.

In addition, we have prepared an [economic memo](#) for CPA firms and HR professionals that can help practitioners deal with employee expenses during a downturn. It can be found on the Economic Resource Center.

Remember, too, to check out the [CPA Job Finder](#), the official job board of the AICPA. CPAs can post their own resumes or use the site to recruit new staff. In future issues, we'll continue to update you on the many ways we're responding to member needs during troubled times.

All the best,

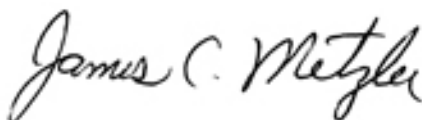


David Morgan, CPA/PFS Chair
PCPS Executive Committee

On the accounting side, the Institute has long been deeply involved in the work of the Private Company Financial Reporting Committee, a group that monitors Financial Accounting Standards Board activities and offers recommendations on the needs of private companies and those who use their financial reports. I hope you all had the opportunity to offer your feedback to the committee on the FASB's discussion paper on financial statement presentation. If adopted, the FASB proposal would make significant changes in the look and structure of financial statements, so it's important to provide the small firm early in the process. The [PCFRC Web site](#) contains more information about the group's activities and recommendations on other key proposals affecting practitioners.

Finally, I urge you to check out "The CPA's Guide to Investment Adviser Registration," a new resource from the AICPA for those interested in entering this practice area. It is an outstanding, understandable explanation of complex issues that will be invaluable to firms of all sizes. You can learn more about it on the [AICPA PFP Center](#).

Best regards,



Jim Metzler, CPA.CITP
AICPA Vice President
Small Firm Interests

Don't Miss the PCPS Economic Podcast Series

Have you checked out the [PCPS Economic Podcast Series](#) yet? These information-packed updates alert practitioners to developments that CPAs across the country are seeing and describe the solutions that are working in their own practices and for their clients. The PCPS Economic Podcast Series is divided into three sections to help firms:

- Focus on client operations to develop solutions for weathering the crisis.
- Address clients' financing and liquidity problems.
- Solve problems in their own practices due to the economy.

Less than 20 minutes long, each session features practitioners from small, medium and large firms discussing their own real-world experiences and sharing best practices that have helped them navigate the troubled economy.

Human Capital Center Toolbox Series: Putting It All in One Place

The PCPS Human Capital Center is one outstanding benefit of membership, and practitioners now have access to valuable information from this site in concise white papers. [The Human Capital Center Toolbox Series](#) includes a booklet for each of the Center's sections. Each one encapsulates the ideas, best practices and tools that you can find throughout the Center in one place. They put the Center's exhaustive resources at your fingertips, making them a great way to introduce yourself to the HCC or dip into topics of greatest importance to your firm.

New Round of PCPS Online Forums

This season's free online PCPS Practice Management Forums will kick off this month with "After Tax Season Review," a dynamic tax season debriefing from Tom Ochenschlager, AICPA Vice President, Taxation, covering the ups and downs of the most recent season and what's to come. It will take place on May 26 from 2:00 PM to 3:30 PM ET. Here's a rundown of other upcoming Forums:

- "Building a Learning Culture in Your Firm," presented by Jennifer Wilson, of ConvergenceCoaching, on June 30.
- "How the Recession Has Impacted the Valuation of an Accounting Firm," given by consultant Joel Sinkin, of Accounting Transition Advisors, on July 21.
- "How the Recession Has Changed the Landscape for Mergers, Compensation and Governance of Accounting Firms," given by Joel Sinkin on August 18.
- "Perspectives on Succession," given by Joel Sinkin on September 29.

Every Forum takes place from 2:00 PM to 3:30 PM. Be sure to watch for e-mail announcements with instructions on how to register.

PCPS Members Are LinkedIn!

PCPS members can now expand their horizons without leaving their offices. The new [Private Companies Practice Section \(PCPS\) Group](#) on LinkedIn offers members a great way to join in discussions with other small practitioners and receive updates on new member benefits. It will also allow members to showcase their own expertise and find other CPAs with the specialties they need. It's free to join both LinkedIn and the PCPS Group, so sign up today.

PCPS Discount on AICPA Conferences

Register now for the conferences listed below and save \$100 with the PCPS discount. When registering for each conference, use Coupon Code SECTION100. [Register Now](#).

AICPA Emerging Partner Training Forums I and II

Forum I: June 8-9, 2009, Disney Contemporary Resort, Lake Buena Vista (Orlando), FL
Pre-Conference Workshops: June 7th
CPE Credit: 19

Forum II:

August 11-12, 2009, AICPA Boardroom, New York, NY
CPE Credit: 19

AICPA Small Business Practitioners Tax Conference

July 12-14, 2009, Hyatt at Olive 8, Seattle, WA
Pre-Conference Workshops: July 12th
CPE Credit: 20.5 (main), up to 4 (optional)

AICPA Partner and Staff Compensation: Making It Work for Your Firm

July 23-24, 2009, AICPA Boardroom, New York, NY
CPE Credit: 15

AICPA National Advanced Accounting and Auditing Technical Symposium (NAAATS)

July 16-17, 2009, Hilton San Diego Bayfront, San Diego, CA
Pre-Conference Workshops: July 15th
CPE Credit: 18.5 (main), up to 8 (optional)

Register Now and Save! Use Coupon Code SECTION100.

AICPA Member Advocacy: Complete the K-1 Schedule Relief Survey

As part of its ongoing focus on challenges facing members, the Institute has been monitoring the problems created because an increasing number of Schedules K-1 are being received after the recipients' filing deadline. These late arrivals can cause a significant burden for tax return preparers. To better understand the issues involved, the Institute previously surveyed AICPA members about their opinions on solving the problem.

Based on those responses, the Institute is now asking members' help to narrow the field of possible approaches to the issue. Practitioners are encouraged to complete a brief questionnaire on actions the Institute should recommend to Congress. The survey can be found at vovici.com/wsb.dll/s/4e5ag3d586.

Non-SEC Issuer Entities Subject to SEC Independence Rules

As a result of the expiration of the SEC Order granting temporary exemption to non-issuer broker-dealers from filing financial statements that have been audited by a PCAOB registered public accounting firm, all auditors of non-issuer broker-dealers must now register with the PCAOB. Notwithstanding the requirement to register with the PCAOB, auditors of non-issuer broker-dealers are not subject to the PCAOB's independence rules, including the PCAOB rules on contingent fees and tax services.

However, auditors of non-issuer broker-dealers and investment advisers continue to be subject to certain of the SEC's independence requirements, including restrictions on financial and employment relationships, contingent fees and non-audit services. Accordingly, such auditors should not perform bookkeeping services for these audit clients, including maintaining or preparing the client's accounting records and financial statements. Non-issuer broker-dealers and investment advisers, however, are not subject to the SEC's partner rotation and compensation requirements since such rules only pertain to audits of issuers (as defined by the Sarbanes-Oxley Act of 2002).

For additional information on SEC independence rules and FAQs on PCAOB registration of auditors of non-public broker-dealers, please visit www.sec.gov/info/accountants/independref.shtml and sec.gov/divisions/marketreg/faq-pcaobregbdauditors.htm

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