

Report of the Nominations Committee

The MSCPA Nominations Committee reports the candidates for officers/director for the 2012-2013 year. The election is scheduled for Saturday, June 23, 2012 during the Annual Business Meeting at the Sandestin Golf & Beach Resort, Destin, Florida. Absentee ballots for members who will be unable to attend the Business Meeting will be available later this Spring.

President:

Lee Adams, Jackson

Vice-President/President-Elect

Richard D. "Ricky" Bullock, Tupelo
Beth Burgess, Flowood

Treasurer:

Cheryl Lee, Jackson
Mary Beth Mayer, New Albany

Secretary:

Laura Brame Cerra, Laurel
John McCallum, Ridgeland

At-Large Board Member:

Tony Chance, Forest
Roy Ward, Jackson

Members of the Nominations Committee include: Sim Mosby, Natchez, Chairman; Lee Adams, Jackson; Bob Cunningham, Ridgeland, Dawn Jones, Hattiesburg, and David Miller, Tupelo.

Reporting Cancellation of Debt Income

Generally, if a debt for which you are personally liable is cancelled or forgiven, other than through a gift or bequest, you must include the cancelled amount in your income. A debt includes any indebtedness for which you are liable or which attaches to property you hold. A debt can include principal, interest,

penalties, administrative costs and other statutory additions.

In the current environment we are seeing credit card debt, personal and business loans and mortgage loans being settled by creditors in transactions that require the borrower to recognize cancellation of debt or COD income.

While a detailed explanation is outside the scope of this article, there are a number of exceptions to the general rule that enables the taxpayer to avoid recognizing COD income. The major exceptions are summarized below:

- Insolvency and Bankruptcy Exceptions
- Qualified Real Property Business Indebtedness
- Qualified Principal Residence Indebtedness
- New Election to Defer COD Income
- Purchase Price Adjustments

A creditor is required to file Form 1099-C, Cancellation of Debt for a debt cancelled of \$600 or more. Form 1099-A, Acquisition or Abandonment of Secured Property, should be filed if the creditor requires an interest in property in full or partial settlement of the debt or has

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Committee Day Planned May 10

MSCPA Committees meet Thursday, May 10 for Committee Day at the MSCPA Building and members are encouraged to volunteer now for committee service.

The process is very easy:

Current committee rosters are carried on the Society's website at www.ms-cpa.org. Click on The Association tab at the top left and then follow the link to Committee Rosters. Review the committee titles and send an email to mail@ms-cpa.org listing up to three committee preferences.

President-Elect Lee Adams will make appointments in early Spring and a confirmation will be sent to the committee member with details on your committee meeting on May 10. Continuing committee members will receive a notice of details on their committee meeting schedule.

Committees will meet during morning (9-11 a.m.) or afternoon (1-3 p.m.) sessions May 10.

Committees scheduled to meet in the morning starting at 9 o'clock include Accounting & Auditing, Awards, Education & Scholarships, Business Valuation, Continuing Professional Education, Firm Administration & Development, Governmental Accounting & Auditing, and Health Care Services.

The afternoon committee schedule starts at 1 p.m. and includes Industry, Insurance Trust, Legislation, Long Range Planning, Non-Profits, and Taxation.

Committees will plan their program of work for the new year. Minutes will be reviewed by the Board of Governors at the July meeting.

Future MSCPA Conventions

June 21-24, 2012
**Sandestin Golf &
Beach Resort**

June 20-23, 2013
**Sandestin Golf &
Beach Resort**



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Lee Adams, Jackson

Secretary

Donna Bruce, Jackson

Treasurer

Ricky Bullock, Tupelo

Immediate Past-President

Sim Mosby, Natchez

Executive Director

Jack O. Coppenbarger

The CPA Newsletter is the official publication of the Mississippi Society of Certified Public Accountants. The Newsletter invites articles of interest to the profession and gives credit to the author; however, it reserves the right to edit articles for correct spelling, wording and punctuation.

Opinions expressed are not necessarily the official policy of the MSCPA. Advertising is accepted in good faith that the product/services are of value stated.

Welcome New Members

New members include Jeremy Ross Bofman, Lesley Camille Gilliam, Lamont Paul Landry II, Jo L. Mattox, Joshua Kurth McBride, Pamela Ruth Mitchell, Lucian D. Noble, Jimmie Lee Sandifer, Amy Wilson Smith, Brandon Hill Vance, Brandon Douglas White, and Kylee Christine Wiblin.

Now completing the membership process are:

Jamie Marie Alford was born in Flowood and received her Bachelor of Accountancy and Master of Taxation degrees from Mississippi State University. She is a Tax Supervisor with Horne LLP in Ridgeland.

Jinnie Lynn Coleman was born in Tupelo and received Bachelor of Accountancy and Master of Accountancy degrees from the University of Mississippi. She is on the staff of M. M. Winkler & Associates in Tupelo.

Gregory Salvatore Curro was born in Vicksburg and received his BS and MBA degrees from Spring Hill College. He is the Risk & Compliance Manager with Rainbow Casino in Vicksburg.

Harrell Edwin Holloway was born in McComb and received his BSBA from Mississippi College and Master of Taxation from the University of Mississippi. He is a Senior Tax Accountant with Harper, Rains, Knight & Co., P.A. in Ridgeland.

Cheryl W. Hopkins was born in Mississippi and received her BBA in Accounting from Jackson State University and Master of Accountancy from Millsaps

College. She is a sole practitioner in Jackson.

Lee Henry King was born in New Albany and received his Bachelor of Accountancy from the University of Mississippi. He is a Staff Accountant with Nail McKinney, P.A. in Tupelo.

Jeannie P. McNinch was born in Amory and received her BPA and MPA degrees from Mississippi State University. She is Senior Vice President at BancorpSouth, Inc. in Tupelo.

Catherine Lester Strong was born in Memphis and received her Bachelor of Accountancy from the University of Mississippi. She is a Staff Accountant with BKD, LLP in Jackson.

Nancy Kathryn Stuart was born in Amory and received her Bachelor of Accounting and Master of Accounting degrees from the University of Mississippi. She is a Staff Accountant with Nail McKinney, PA in Tupelo.

Jessica Sanford Tackett was born in Memphis and received her BA, BBA, MBA and MaCC from Millsaps College. She is a Staff Accountant with Harper, Rains, Knight & Co., P.A. in Ridgeland.

Matthew Christopher Thiel was born in Jackson and received his Bachelor of Accountancy and Master of Taxation degrees from the University of Mississippi. He is a Senior Accountant with Eubank, Betts, Hirn, Wood, PLLC in Jackson.

Stuart H. Yarbrough, Jr., was born in Louisville, MS, and received his Bachelor of Professional Accountancy from Mississippi State University. He is an In-Charge Accountant with Watkins, Ward and Stafford, PLLC in Philadelphia.

Davis Cooper Watts was born in Flowood and received his BSBA and MBA degrees from Mississippi College. He is a Staff Accountant with Haddox, Reid, Burkes and Calhoun in Jackson.

Merger and Acquisition Activity Expected to Rise in 2012 – Good News for Business Valuation

Eddy Parker, CPA, AICPA Technical Manager, Forensic and Valuation Services

Although merger and acquisition (M&A) activity declined during the last half of 2011 (but rose overall by 7.6 percent for the year), it is expected to be on the rise again in 2012. This will mean a corresponding increase in demand for business valuation experts and firms which offer this service. According to an article in the *Wall Street Journal* dated Jan. 2, 2012 and titled "On Wall Street, Renewed Optimism for Deal-Making," a survey by Ernst & Young anticipates that "36 percent of companies plan to pursue an acquisition this year." Additionally, the article states that since companies have ready access to cheap financing and large amounts of cash,

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MISSISSIPPI SOCIETY OF CPAS 2012 ANNUAL MEETING

Wednesday, June 20 - Sunday, June 24, 2012

GROUP CODE: 22C2P5

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City _____ State _____ Zip _____

Sharing With _____

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Authorization # _____ (located on the reverse side of card) Check # _____

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A deposit of one night's room rate is required to secure rooms.

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Any other type of accommodation besides what is in your block will vary in cost depending on location.

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WESTWINDS 1 BDRM*	\$380.00	BAYSIDE INN - GUEST ROOM	\$145.00
WESTWINDS 2 BDRM*	\$491.00	BAYSIDE INN - 1 BDRM SUITE	\$196.00
WESTWINDS 3 BDRM*	\$685.00	VILLAGE - STUDIO	\$178.00
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		GRAND SANDESTIN 3 BDRM	\$395.00

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REPORTING CANCELLATION

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reason to know the property has been abandoned. It is not necessary to file both Form 1099-A and Form 1099-C for the same debtor. You may file Form 1099-C only and complete boxes 4, 5 and 7 on Form 1099-C. However, if you do file both Forms 1099-A and 1099-C, do not complete boxes 4, 5, and on Form 1099-C.

COD income for personal debt, that is not excludable, is reported on line 21 – Other Income of Form 1040. Business debt, depending on its nature, is reported on Form 1040 Schedule C, D, or F.

When a debtor conveys property to a lender that secures an indebtedness that is non-recourse to the debtor, the debtor does not recognize COD income. Instead, the transaction is treated as a sale transaction, and the debtor recognizes capital gain or loss to the extent of the differences between the principal amount of the indebtedness and the debtor's tax basis in the property.

The modification of a debt can result in reportable COD income. A modification is an alteration, deletion, or

addition, in whole or in part, of a legal right or obligation of the creditor. For a modification to be COD income it must be "significant". While each transaction is based on its facts and circumstances, there are several guidelines that can be applied in determining significance.

These include:

- A change in yield in excess of 5% of the original yield or 25 basis points.
- A natural change in the timing of payments beyond a safe harbor period.
- A change in the obligation or resource debt.
- A change in the nature of the debt instrument, e.g. a change from recourse to non-recourse.

A change in customary accounting or financial covenants is not considered a significant modification. The determination of the COD income resulting from a significant modification is based on the issue price of the new instrument compared to the balance of the old instrument.

When a Form 1099-C or 1099-A is received, make sure the amount on the form is correct. The form may include interest, attorney fees and other statutory additions that the taxpayer may not have

on his books. This is particularly significant when the debt is business related, and these additional amounts have not been deducted by the taxpayer.

Some creditors charge off the debt and sell it to debt buyers. Once the Form 1099-C is issued, the debt is forgiven and the debtor is no longer liable for the debt.

Special rules apply when the debtor is a "pass-through" entity, such as a partnership, limited liability company taxed as a partnership, or a subchapter S corporation. COD income realized by a pass-through entity generally passes through to the entity's owners. Where the debtor is a pass-through entity, the applicability of exclusions are subject to special rules which are outside the scope of this article.

Do not ignore Forms 1099-C or 1099-A. Even though the COD income may be excludable from income, the amounts on the forms must be accounted for and reconciled on the tax return.

If your client is a debtor facing a foreclosure or other workout situation, be sure to consider the tax consequences of potentially having to recognize COD income in determining what course of action is best to take.

~ H. Kenneth Lefoldt, Jr., CPA, CFE, CIRA, CFF

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- | | |
|---|---------------------------------|
| • Harris H. ("Trip") Barnes, III, J.D., LL.M. | • Brandon C. Dixon, J.D., LL.M. |
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MERGER & ACQUISITION

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companies will need to make acquisitions in order to drive growth in the face of a tepid economy.

Is your firm positioned to take advantage of this opportunity? Mergers and acquisitions are just one of the opportunities within the valuation profession. Valuing a business due to transfer of ownership, divorce settlement, gift and estate tax determination, fair value accounting, ESOP valuations, economic damage calculations and expert witness or litigation support round out the list. In *Accounting Today's* 2011 Top 100 Firms Magazine issue, more than 75 percent of the firms represented in the survey offering business valuation services reported significant growth within this area, making it the fastest-growing professional service niche.

Adding a specialization like business valuation to your firm can help with client retention and acquisition, driving overall revenue growth. Here are several considerations in establishing a valuation practice:

Begin with your current client base. When advising clients on tax planning or estate planning issues, you will see instances where a business valuation is needed. Good first-time valuation projects could be for small family limited partnerships or small businesses.

Plan on spending a lot of time on your first valuations. Preparing checklists, learning how to comply with standards and setting up models will be time-consuming. Use caution with software valuation packages as some have been found to have significant errors in their models and report-writing modules. It is important to understand the models used to develop your valuations as you should always assume you are preparing a valuation that will be defended in court.

Offer valuation services to local firms that don't have the ability to do valuations for their clients. Many small firms don't have the staff or ability to do valuation work for their clients, so this is a good source of revenue once you establish yourself as someone who can do quality valuation work. Your network of peers and your reputation with them will be very important if you decide to pursue this route.

Ensure that engagements are performed in accordance with any applicable guidance. The AICPA issued Statement on Standards for Valuation Services no. 1 (SSVS1) in June 2007, effective for all engagements entered into after Jan. 1, 2008. All AICPA members are required to comply with SSVS1. For CPAs, this standard has been adopted by most state accountancy boards, so check with your state licensing agency to see which standards

must be followed.

Get a seasoned valuation expert to review your first reports. The report is often the end product that is seen by clients, and a well-written report can leave a lasting impression on clients and counsel. The report review, if done properly, will take several hours to perform, so plan on engaging a valuation specialist to do this work with the knowledge that you will have to pay for this review.

Get a valuation credential. The American Society of Appraisers (ASA) and the National Association of Certified Valuation Analysts (NACVA) offer credentials available to CPAs and non-CPAs. The Accredited in Business Valuation (ABV) credential is available only to CPAs with an active license and is supported by the AICPA (visit aicpa.org/ABV for details). All of these credentials require an exam. The AICPA and ASA credentials also require actual experience performing

valuations and minimum education requirements. A credential will be a valuable marketing tool to hold you out as meeting minimum requirements for knowledge and competency in performing valuation work. A credential can also identify you as an expert in litigation proceedings.

Market your valuation practice. In marketing your firm for valuation engagements, the end-user often is not the person who will hire the firm. Quite often it is the lawyer or other accounting firm that identifies the valuation specialists and engages them to do the valuation. Consider making presentations to local bar associations and bankers associations to explain what valuation is and why they should hire an expert. Networking with other local accounting firms can lead to valuable referrals for new work.

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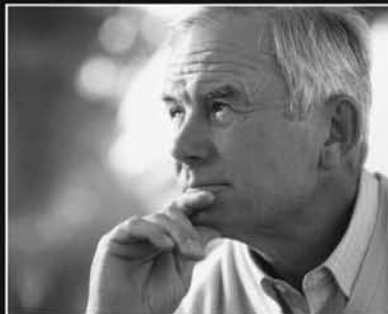
Tentative **CPE Schedule** for **2012**

BEGIN	CITY	COURSE TITLE
? May	Jackson	YOUNG CPA SPRING CONFERENCE
9-May	Ridgeland	Mississippi Sales and Use Tax Update
10-May	Ridgeland	COMMITTEE DAY
11-May	Ridgeland	ACCOUNTING & AUDITING CONFERENCE
14-May	Hattiesburg	Catching the Crooks Who Cook the Books
14-May	Hattiesburg	How to Settle an Estate for a Client from A to Z
14-May	Ridgeland	Choice of Entity - Key Issues: S Corp, C Corp, Partnership, LLC and Sole Proprietorship
15-May	Hattiesburg	AM: Ethics, Rules and Regulations
15-May	Hattiesburg	PM: Financial Fraud, Forensics, and the CPA
15-May	Hattiesburg	MBA in a Day
15-May	Ridgeland	Closely Held Business Taxation: Smart Strategies to Slash Taxes
16-May	Hattiesburg	Protecting You and Your Clients Against Identity Theft, Investment Fraud, and Consumer Fraud
16-May	Hattiesburg	Leadership Secrets of Football's Master Coaches
16-17-May	Ridgeland	PROGRAM FOR MANAGEMENT DEVELOPMENT
18-May	Ridgeland	Audits of 401 (k) Plans
21-May	Ridgeland	The Complete Guide to Payroll Taxes and 1099 Issues
21-22-May	Ridgeland	MISSISSIPPI TECHNOLOGY CONFERENCE
22-May	Ridgeland	Reading, Understanding, and Structuring LLC and Partnership Agreements from a CPA's Perspective
23-May	Ridgeland	Financial Reporting - Turn Information Into Action
23-May	Tupelo	AM: Ethics, Rules & Regulations
23-May	Tupelo	PM: Accounting and Auditing Update
23-May	Tupelo	Estates and Trusts: Mastering Complex Income Tax Issues
23-May	Tupelo	Practical Tips and Techniques for Dealing with the IRS
24-May	Ridgeland	Only Financial Officer - Skills for Smaller Company Financial Managers
24-May	Tupelo	Advanced Update for Compilation, Review, and Accounting Services
24-May	Tupelo	Innovative Tax Planning for Individuals and Sole Proprietors
25-May	Ridgeland	Estate and Life Planning Issues for the Middle-Income Client
25-May	Tupelo	Construction Contractors: Accounting, Auditing and Tax
25-May	Tupelo	Purchasing, Inventory and Cash Disbursements: Common Frauds and Internal Controls
25-May	Tupelo	TBD
29-May	Ridgeland	Construction Contractors: Accounting, Auditing and Tax
30-May	Ridgeland	Forensic Accounting Investigative Practices
31-May	Ridgeland	AM: COSO Internal Control: One Size Does Fit All
31-May	Ridgeland	PM: The Art of Fraud: Recent Findings, Red Flags, and Corruption Schemes
1-Jun	Ridgeland	IT: Risks and Controls in Traditional and Emerging Environments
4-Jun	Ridgeland	Revenue and Cash Receipts: Common Frauds and Internal Controls
4-Jun	Ridgeland	The Most Common Financial Statement and Asset Fraud Schemes: How to Detect and Prevent Them
5-Jun	Ridgeland	AM: Ethics, Rules & Regulations
6-Jun	Ridgeland	AM: Health Care Reform Act: Critical Tax and Insurance Ramifications
5-Jun	Ridgeland	PM: Accounting and Auditing Update
6-Jun	Ridgeland	PM: Estate Planning Strategies: Minimizing Taxes and Maximizing Wealth
7-Jun	Ridgeland	Case Studies for the Financial Manager: Real-World Lessons Learned
7-Jun	Ridgeland	Real-World Solutions to Tricky Issues Facing Today's Financial Professional
8-Jun	Ridgeland	Expand Your Value-Adding Skills: Uncovering the CPAs Worth to the Organization
8-Jun	Ridgeland	Controller's Update: Latest Trends for Today's Financial Manager
11-12-Jun	Ridgeland	Accounting and Auditing Workshop
11-Jun	Ridgeland	AM: iPad -- An Effective Business Tool
11-Jun	Ridgeland	PM: PDF Forms - What Accountants Need to Know
12-Jun	Ridgeland	Advanced Excel
13-Jun	Ridgeland	Corporate Accounting - Hone Your Skills
13-Jun	Ridgeland	Cloud Computing
14-Jun	Ridgeland	Chief Financial Officer - Executive Level Skills for Financial Managers
14-Jun	Ridgeland	Innovative Tax Planning for Individuals and Sole Proprietors
15-Jun	Ridgeland	AM: Cases in Corporate Ethics for Mississippi CPAs
15-Jun	Ridgeland	PM: How Good Companies Become Great - Secrets to Success
15-Jun	Ridgeland	Advanced Update for Compilation, Review, and Accounting Services
18-Jun	Gulfport	AM: Ethics, Rules & Regulations
18-Jun	Gulfport	PM: Accounting and Auditing Update
18-Jun	Gulfport	Technology for CPAs - Don't Get Left Behind
18-Jun	Ridgeland	Advanced Employee Benefit Plan Topics
19-Jun	Gulfport	AM: Annual Update for State & Local Governments and Not-for-Profits
19-Jun	Gulfport	PM: Efficient Small Business Audits

Tentative **CPE Schedule** for **2012**

BEGIN	CITY	COURSE TITLE
19-Jun	Gulfport	Cloud Computing
19-Jun	Ridgeland	Accounting and Reporting Practices of Not-for-Profit Organizations
20-Jun	Gulfport	AM: Excel Reporting - Best Practices, Tools and Techniques
20-Jun	Gulfport	PM: iPad - An Effective Business Tool
20-Jun	Gulfport	Applying the Audit Risk Assessment Standard - A Course for New Auditors
20-Jun	Ridgeland	Governmental and Non-Profit Annual Update
21-Jun	Ridgeland	A-133 Related seminar TBA
22-Jun	Ridgeland	I See It! Bringing Into Focus The New Clarified Auditing Standards
25-Jun	Ridgeland	AM: Ethics Rules & Regulations
25-Jun	Ridgeland	AM: Analyzing Your Company's Financial Statement
25-Jun	Ridgeland	PM: Financial Forecasting: Planning for Success
25-Jun	Ridgeland	PM: Frequent Frauds Found in Governments
26-Jun	Ridgeland	Fraud in the Government and Not-for-Profit Environments: What a Steal
26-Jun	Ridgeland	Thirty-Plus Practical Tools and Techniques for Making Your Key Financial Decisions
27-Jun	Ridgeland	Business Law Essentials for Accountants
27-Jun	Ridgeland	Applying the Audit Risk Assessment Standard - A Course for New Auditors
28-Jun	Ridgeland	AM: Pivot Tables for Accountants - Part 1
28-Jun	Ridgeland	PM: Excel Tables - Revolutionize How You Work with Excel
28-Jun	Ridgeland	Small Business Audits: Best Practices Including Risk Assessment and Internal Control
29-Jun	Ridgeland	QuickBooks for Accountants
29-Jun	Ridgeland	Small Business Accounting & Auditing Update
16-17 Aug	Jackson	GOVERNMENTAL ACCOUNTING AND AUDITING CONFERENCE
? Sept	Ridgeland	HEALTHCARE SERVICES SEMINAR
20-Sep	Ridgeland	Introduction to Bank Accounting & Auditing
21-Sep	Ridgeland	Community Banking Update
16-Oct	Ridgeland	INDUSTRY CONFERENCE
17-Oct	Ridgeland	AM: Ethics, Rules & Regulations
18-Oct	Ridgeland	Construction Contractors Advanced Issues
22-Oct	Gulfport	Advanced Update for Compilation, Review, and Accounting Services
22-Oct	Gulfport	How to Settle an Estate for a Client from A to Z
23-Oct	Gulfport	Construction Contractors Advanced Issues
23-Oct	Gulfport	AICPA's Annual Federal Tax Update
23-Oct	Ridgeland	OIL & GAS
26-Oct	Ridgeland	ACCOUNTING EDUCATORS SYMPOSIUM
2-Nov	Jackson	NOT FOR PROFIT CONFERENCE
5-6-Nov	Ridgeland	AICPA's Corporate Income Tax Returns Workshop
8-9-Nov	Jackson	MISSISSIPPI TAX INSTITUTE
13-Nov	Ridgeland	BUSINESS VALUATION & LITIGATION SERVICES SEMINAR
13-Nov	Tupelo	Advanced Employee Benefit Plan Topics
13-Nov	Tupelo	2011 Revised Yellow Book for Financial Audits (The)
13-Nov	Tupelo	Annual Update for State & Local Governments and Not-for-Profits
14-Nov	Tupelo	Business Law Essentials for Accountants
14-Nov	Tupelo	AICPA's Annual Update for Controllers
15-Nov	Tupelo	AM: Ethics, Rules and Regulations
15-Nov	Tupelo	PM: Frequent Frauds Found in Governments
15-Nov	Tupelo	AICPA's Annual Federal Tax Update
7-Aug	Tupelo	AM: iPad - An Effective Business Tool
7-Aug	Tupelo	PM: Cloud Security and Compliance - What's Your Responsibility?
8-Aug	Tupelo	Advanced Excel
29-Nov	Ridgeland	AICPA's Hottest Tax Topics for 2012
3-4-Dec	Ridgeland	AICPA's 1040 Tax Return Workshop
10-Dec	Hattiesburg	2011 Revised Yellow Book: Government Auditing Standards
10-Dec	Hattiesburg	AICPA's Hottest Tax Topics for 2012
11-Dec	Hattiesburg	AM: Ethics, Rules & Regulations
11-Dec	Hattiesburg	PM: Frequent Frauds Found in Governments
11-Dec	Hattiesburg	AICPA's Annual Federal Tax Update
11-Dec	Ridgeland	AM: Write-up, Payroll and Other Accounting Services: Managing the Risks
11-Dec	Ridgeland	PM: 2011 Revised Yellow Book for Financial Audits (The)
18-Dec	Ridgeland	AICPA's Annual Federal Tax Update

A time to reflect



A time to reflect gives you the opportunity to celebrate your accomplishments, re-evaluate your goals and appreciate the avenues necessary to attain the long term successes you desire on a personal, professional and financial level.

Whether you're just starting out in your career or a more seasoned professional, the insurance choices you make to protect your family and your practice can have a major impact on the outcome of your achievements.

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Structured Organization and Structured Programming: Complementary Concepts for Savings and Profit David Sity, CPA

During an economic downturn, even the most successful business discovers a dramatic need to increase profits and cut losses. It is no longer enough for a business to survive by merely hiring a consultant to tweak out a few extra pennies here and there. Competitive corporate survival is now a ubiquitous challenge.

Just like any living plant, a business either grows or dies. This means intelligent, profitable change. But, how?

Over the course of my career, I have analyzed hundreds, possibly thousands, of businesses. Based on this interactive experience, I have developed the twin complementary concepts of Structured Organization and Structured Programming. Implementing these concepts enables any business to confront the multiple, dynamic challenges of the new millennium. This is accomplished by reducing variable costs, increasing overall efficiency, and freeing assets for expansion and improved sales. Utilizing these strategies results in an increase of millions of dollars per year in profits for any large business.

Currently, many businesses approach organization and programming in a haphazard or piecemeal manner. Only full implementation of structural strategies reaps full benefits.

STRUCTURED ORGANIZATION

Implementation of Structured Organization initially requires the construction of at least two flowcharts for each business process. The first chart documents the current, *actual* workflow.

Chart two is the creative framework for your work sheet. This second chart is a bare-bone, skeletal flowchart. In effect, a straight line illustrates a beginning and desired end result. The straight line is analogous to the command line in a computer program. As a need or command point is reached on the line, each single task or operational unit is "plugged in" to be tested for effect. As systemic needs change, a replacement unit is "plugged in." This continues until the end of the line is reached, or the desired product is produced. This allows for latitude, flexibility, and transitional progress.

Structured Organization automatically allows for rapid implementation of new operations, including the insertion of an effective system of internal control. Since a business must operate as a seamless entity, each flow chart connects to another business process at one or more junctures. These changes are then implemented incrementally,

so overall operations continue with only minor interruptions. Implementation costs can be amortized over time.

Internal control is accomplished by using a system of checks and balances parallel to those in the U.S. Constitution. The Legislative Branch makes the law; the Executive executes the law; and the Judicial interprets the law. In like manner, internal controls are evaluated based upon a system of checks and balances according to designated function. Correspondingly, operational assessments clearly define, implement, and re-evaluate existing programs and control systems. An operation based upon checks and balances also monitors and streamlines office procedures, so your business focuses on its bottom line with minimal disruption.

STRUCTURED PROGRAMMING

Current computer programming is based upon the building blocks of language. Some speak JAVA; others Assembly. These alphabet blocks often create a top-heavy, inverted pyramid. In order to make this upside-down pyramid work, a programmer often spends hundreds of hours creating links and correcting errors resulting from a myriad of extraneous translations. Eventually, the binary base cannot support this Babel of alphabet blocks, and the pyramid collapses of its own dead weight. If this method of language translation were used at the U.N., even fewer people would know what is going on there.

There are intrinsic errors inherent to a binary base which receives commands from *another* computer language which subsequently receives commands from a *still newer* fad language *ad infinitum*. This approach consumes memory and results in errors which require "patches" which require even more "patches" to cover up subsequent errors, band aid upon band aid. Such programming becomes readily antiquated.

Most programmers continue to utilize this "artistic," piecemeal approach to programming. This is an incessant expense. The result is an unending flow of cash sucked down into a black hole of no return.

Conversely, Structured Modular Programming is a self-correcting system which utilizes simple, straight-forward logic written in plain English. This type of singularized, unit system communicates directly, yet independently, with the underlying binary base. A computer language needs to be consistent with the mathematical language of the binary base.

The program should not take you to New York via a detour through New Orleans, Chicago, and Rio Linda. Components of Structured Programming are comparable to those of the calculus in terms of analysis and synthesis, differentiation and integration.

A pragmatic, "Back-to-Basics" approach using a Discrete Unit Programming computer model sometimes requires targeted rewriting of the binary base. This provides long-term, permanent solutions for recurrent or perpetual problems. However, in most cases, a less expensive, "work-around" method is possible to circumvent the problem. This is necessary in order to eliminate overlapping and interdependent programming which results in hidden wormholes and costly viruses. A thorough cost-benefit analysis is required to determine the degree of implementation necessary for each particular business system.

Secondary functions are improved and redundant operations eliminated using a workable programming model. Overly integrated systems are streamlined into a singular, manageable operation. This system is adaptable to transitional needs. Another advantage to Structured Programming is systems compatibility between offices, departments, and other external computer systems, e.g., vendors, etc...

Structured Computer Programming parallels Structured Organization in that a bare-bone flowchart, or command chart, is set up with distinct and discrete plug-in units. These units are designed to complete specific tasks and return to the command line within an unbroken circuit. If a unit has *non sequitur* programming, or a new computation is needed, the unit is replaced quickly and easily. There is no sudden cascade of errors requiring correction. Virtual signals direct traffic flow to ease congestion at busy intersections.

SUMMARY

Implementation of Structured Organization and Structured Programming easily results in millions of dollars in profits for any large business. These twin complementary components renovate a company's business structure in a cost effective manner without altering its current business model. Simultaneous instruction of these dual structural concepts can be taught through a variety of multi-media techniques. These concepts have multiple applications to innumerable functions and systems.

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STRUCTURED

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Those businesses concerned with major labor-related costs might also consider updating their business plan to a Comprehensive Independent Contractor Business model. This model is designed to assist businesses in the proper conversion of all levels of labor to independent contractor status on a sustainable basis. An article by Mr. Sity on this type of business model was published by the CPA Society Journals of Nevada (July 2010), Mississippi (August 2010), New Hampshire (Autumn 2010), Iowa (Sept./Oct. 2010), and Maryland (October 2010).

David Sity holds a CPA (WI) and is a professional expert in operational, internal, compliance, and financial auditing. Mr. Sity has developed sets of specific guidelines which can be applied for use to any number of business or industry venues. Any business or consulting firm interested in his services may contact Mr. Sity, CPA at: AalborgServices@gmail.com

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Our Members in the News

The AICPA announces that 51 CPAs across the country (including two from Mississippi) have been selected to receive its inaugural Sustained Contribution Award. The award recognizes members of the Institute who have contributed measurably to the AICPA and the CPA profession through their volunteer service. All the recipients have served on an Institute volunteer group for 20 or more years and have served at least once as a chair of an AICPA committee, task force or resource panel.

“The AICPA congratulates all of the recipients of the Sustained Contribution award,” stated Kathy Eddy, chair of the awards committee and former AICPA chair. “The work they’ve done in volunteer leadership roles at the AICPA will help strengthen the profession for many years to come.”

The following CPAs from Mississippi were recognized at the Fall meeting of the AICPA’s Governing Council by Eddy: Quinton Booker and Paul V. Breazeale, both from Jackson.

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James Lee Stafford CPA, Executive Manager, Watkins, Ward and Stafford, PLLC, Certified Public Accountants, announces the merger of Stockwell & Company, CPA’s with Watkins, Ward and Stafford, PLLC effective January 1, 2012. The merger combines the Jackson practice of Watkins, Ward and Stafford, PLLC located at 4316 Old Canton Road, Suite 100A and the Stockwell practice located at 689 C Towne Center Boulevard in Ridgeland. Both locations will be maintained at least through the current tax filing season.

◆ ◆ ◆
HORNE LLP recently welcomed 12 accounting students to its Spring internship program. They will complete their internship at various HORNE office locations throughout the Southeast.

HORNE’s 2011 intern class includes: Blake Barksdale of Columbus, Miss., (Mississippi State University); Katie Carona of Richton, Miss., (University of Southern Mississippi); Jenny Davis of Jackson, Miss., (Mississippi College); Adrienne Domico of Waveland, Miss., (Mississippi State University); Melissa

Ferrell of Jackson, Tenn., (Union University); Elizabeth Gookin of Tunica, Miss., (Mississippi State University); Amber Huell of Vicksburg, Miss., (Mississippi State University); Hannah McWilliams of Madison, Miss., (Mississippi State University); Chelsey Neal of Columbia, Miss., (Mississippi College); Andres Posada of Biloxi, Miss., (University of Southern Mississippi); Ebony Sweeney of Forest, Miss., (Jackson State University); and Adam Taylor of Wesson, Miss., (University of Mississippi)

Posada, Sweeney and Davis are completing their internships in health care accounting services. Taylor, Huell, Barksdale, Gookin and McWilliams are focused on assurance services. Neal and Ferrell will complete their internships in tax services. Domico and Carona’s internships will be with HORNE’s disaster recovery management team.

Do We Have Your Current Email Address?

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A CPA WITH SEVERAL YEARS of small business and tax accounting experience is seeking a part-time job. Contact Van Hawthorne @ 601 209-8237 or vanhawthorne@bellsouth.net

TROY UNIVERSITY: Earn Your Master of Taxation Degree or Certificate of Taxation Online. Troy University, a regionally accredited institution, offers the Master of Taxation and Certificate of Taxation programs online beginning in August 2011. Tax professionals are in demand because of the rapidly changing tax law. Learn specialized tax knowledge and improve your tax research skills. You may complete all the required courses from the comfort of your home or office. Position yourself for career advancement with a Master of Taxation degree or Certificate of Taxation from Troy University. For more information on these programs, go to troy.edu.

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BKD, LLP, the tenth largest accounting and advisory firm in the U.S., is seeking experienced audit professionals with 2 or more years experience for its Mississippi practice. Experience in healthcare, financial services, and/or manufacturing & distribution/commercial is favored though not necessarily required. CPA or CPA eligibility is required. Resumes may be sent to 190 East Capitol Street, Suite 500, Jackson, MS 39201, or emailed to mcarraway@bkd.com. Please visit www.bkd.com for more information.

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