



IN MEMORIAM

ROBERT JEFFREY “JEFF” ADCOCK

Madison, MS

Died October 22, 2022

BOBBY PHINN WATERS

Clermont, FL

Died November 6, 2022

JACK PEARCE DEAN

Madison, MS

Died November 16, 2022



Ridgeland Food Drive Drop-Off Party

MSCPA DAY OF SERVICE HELPS MISSISSIPPIANS IN NEED

MSCPA volunteers united for the Mississippi Society of CPAs statewide annual CPA Day(s) of Service on November 7 - 18, teaming up around the state to lend a helping hand. This was the eighth year that MSCPA implemented the Days of Service for members and accounting students. Our volunteers completed service projects in 10 Mississippi towns and served 10 organizations across the state bringing together these 30 companies:

Byrne Zizzi CPA, PLLC; Carr Riggs & Ingram, LLC; Castle; Kinney & Associates, PLLC; Culpepper, Culpepper & Hurtt CPA; Delta Energy Group, LLC; East Group Properties; Entergy; First International Bank & Trust; FORVIS; GranthamPoole, PLLC; Great Southern Bank Mississippi; Haddox Reid Eubank Betts, PLLC; Harper, Rains, Knight & Company; HORNE, Matthews, Cutrer & Lindsay, P.A.; McArthur Slay and Dews, PLLC; McLeod & Rigel, P.A.; Mississippi College; Mississippi Society of CPAs; Mississippi State University Beta Alpha Psi; MS Department of Corrections; Postlethwaite & Netterville; Rea, Shaw, Giffin & Stuart, LLP; Silas Simmons, LLP; Stephanie Higginbotham CPA, PLLC; Swain, Collins & Napp, PA; TMH; University of Southern Mississippi Beta Alpha Psi; Watkins, Ward & Stafford, PLLC

This year we hosted our first annual display contest for each company’s food drive donations. We loved seeing everyone’s creativity and fun they had while collecting. Congratulations to Matthews, Cutrer & Lindsay, P.A. for being the winner! A special shoutout as well to Carr Riggs & Ingram LLC for collecting the most donations! Together all metro area businesses that participated collected 2,206 pounds of food and \$20 for the MS Food Network to provide 1,958 meals for Mississippians this holiday season.

continued on page 11



Matthews, Cutrer & Lindsay, P.A. Food Drive Display Winner



Carr Riggs & Ingram, LLC Most Donations Collected Winner



*Published
by the
Mississippi Society of
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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

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Tupelo, MS

JENNIFER WEIS

Byrne Zizzi CPA, PLLC
Oxford, MS

HONOR AN MSCPA MEMBER for Public Service

The membership is invited to nominate a member for consideration for the MSCPA 2023 Public Service Award. The winner will be recognized during the 2023 Annual Convention awards presentation on Saturday, June 24, at Sandestin Golf and Beach Resort in Destin.

Qualifying activities for the award include MSCPA membership and professional and civic public service achievements. Nominations should be submitted by **March 1, 2023**. Submit by email to Karen Moody (kmoody@ms-cpa.org) for consideration by the MSCPA Public Service Award Committee.



Jones, 2022 Recipient

2023 Annual Registration for CPA Licenses and CPA Firms is due January 1, 2023. Visit the Mississippi State Board of Public Accountancy's website to register:

www.msarpa.ms.gov. Please contact the Board office if you have any questions. email@msarpa.ms.gov.

Member News

Collins Honored by City of Madison

Wallace Collins said having Oct. 22 proclaimed as “Wallace Collins Day” in honor of his service to the city was a great finishing touch to his career.

“It was such an awesome day and I was overwhelmed by the response I had to my retirement including the kind words from the mayor and other officials,” Collins said of Mayor Mary Hawkins-Butler’s proclamation. “The proclamation was completely unexpected and I felt very blessed to receive it and we all plan to retire here.”

Hawkins-Butler signed the proclamation during Collins’ retirement celebration at Annandale Golf Club, which officially made Oct. 22 “Wallace Collins Day” in the city of Madison. City officials took part in the celebration, including Collins’ children from across the country, to honor his legacy.

Collins, a Madison resident since 1976, served as a CPA in the Madison area for over 50 years. He was a founding partner at Collins, Barr & Hembree, LTD., which is one of the oldest CPA firms in the Jackson area.

He has served on many boards of various civic and charitable organizations including the City of Madison Chamber of Commerce, the Madison County Library System, the Home Place of Madison, the Mississippi College School of Business Advisory Board, and was a member of the Madison Volunteer Fire Department in the early 1980s.

He also was a charter member of the Madison the City Chamber of Commerce and served as its first Treasurer. He served as an active member and volunteer for the Chamber for the 34 years it was in operation.



Wallace Collins, left, is pictured with Madison Mayor Mary Hawkins Butler and his wife Margaret

“My relationship with the city goes way back to when I first moved here, when the population was only around 2,500,” Collins said. “It’s awesome to see how it’s grown so much over the years.”

In Mayor Mary Hawkins-Butler’s proclamation, she proclaimed that Collins invested his expert skills to the city as a CPA for the betterment of business, governmental entities, and individuals for decades, along with serving as one of the city representatives on the Madison County Library Board of Trustees and as Treasurer and devoted his time through the position so that residents felt at home and cared for.

Article provided by: Madison County Journal



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Member News

Mosby Elected in Natchez



Mosby

Sim Mosby, Silas Simmons Managing Partner, has been elected Chairman of the Board for Natchez, Inc. Natchez, Inc. is a public-private partnership established on June 1, 2010, and is the dynamic organization in the economic development of Natchez, Vidalia, and Adams County.

Their primary responsibilities are the recruitment, retention, and expansion of business. Their objective is to strengthen the region through economic and community development initiatives with an emphasis on creating new jobs. Their main areas of assistance include: General Economic Facts and Demographic Information, Workforce Training and Education, Locating Available Sites and Buildings, Small Business and Entrepreneurial Development, and State and Local Benefits and Incentives. Sim is a past Chairman of the MSCPA and currently serves as an At-Large Board Member.

P&N's Rob King Named Chairman of LCPA Forensic, Litigation & Valuation Services Committee

Postlethwaite & Netterville, a Professional Accounting Corporation (P&N), is pleased to share that **Rob King**, CPA/ABV/CFE, has been named Chairman of the Forensic, Litigation, & Valuation Services Committee for the Society of Louisiana CPAs (LCPA).

The Forensic, Litigation, & Valuation Services Committee oversees litigation services and business valuation workshops and conferences in this area of practice. The committee works together to provide relevant information on current issues and cutting-edge topics to financial professionals who practice in this area.

Rob is an Associate Director in P&N's Hattiesburg, Mississippi office and is part of the firm's Forensic & Valuation Services team, providing a range of valuation and litigation support services for clients. He is also involved in the MSCPA, where he is serving his third year as Chairman of the Business Valuation & Litigation Support Services Committee and has served as a committee member for over 10 years.



King

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Noah Davis Attends AICPA's 2022 Leadership Academy



Davis

Noah Davis, CPA was one of only 36 CPAs honored by the American Institute of CPAs (AICPA) as a member of the Leadership Academy's 14th graduating class. Noah was selected based on his exceptional leadership skills and professional experience for the four-day Leadership Academy program, which was held October 23-27th.

Noah grew up in Chattanooga, TN, where he attended The Baylor School, an international college preparatory school. With the intention of becoming a CPA, Noah decided to attend Ole Miss where he graduated with his bachelor's and master's degrees in accounting. After graduation, Noah moved to Nashville to begin his career with KPMG in the State and Local Tax group. Upon meeting Tennessee's work experience requirement, he received his CPA license. Shortly thereafter, Noah moved to his wife's hometown of Meridian. It is there where he currently resides and is employed as a tax accountant at Rea, Shaw, Giffin & Stuart, LLP. Outside of work, Noah serves on the Board of the MSCPA Young CPA Network. Additionally, he serves as the Treasurer of the Meridian Council for the Arts, a local organization responsible for fostering and promoting diverse art and cultural organizations throughout the community.

The AICPA Leadership Academy was designed to strengthen and expand the leadership skills of promising young professionals while

they network with a peer group of talented and motivated CPAs.

The Leadership Academy features career-development workshops and sessions with some of the accounting profession's most prominent influencers. Participants were selected from public accounting firms of all sizes, business and industry, government, and consulting firms.

The 2022 Leadership Academy attendees were recommended by their employers, state CPA societies, and/or volunteer organizations. Candidates submitted resumes and a statement explaining how participating in the Leadership Academy would impact them personally and professionally.

To date, more than 445 CPAs have participated in the AICPA Leadership Academy, many of whom have gone on to take on leadership positions in their firms, businesses, and volunteer organizations.

Noah stated, "It was an honor to attend the 2022 AICPA Leadership Academy. The experience was transformational both personally and professionally. Not only was I able to come away with the knowledge bestowed upon the group, but I left with connections and friendships that will last for years to come. All in all, it was an exceptional program with a wonderful group of people, and I would highly recommend any young CPA look at participating in the future."

For more information about the AICPA Leadership Academy, visit AICPA.org/Leadership.

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MSCPA Member





AICPA & CPA/SEA Leadership Conference

MSCPA leaders attended the 2022 AICPA & CPA/SEA Leadership Conference for state society chief staff executives and chair-elects October 17-18 in Chicago, Illinois.

From left to right: Barry Melancon, AICPA President and CEO; Jerry Goolsby, MSCPA Vice Chairman/Chairman-Elect; Okorie Ramsey, AICPA Vice Chairman; and Karen Moody, MSCPA President/CEO.

AICPA 2022 Fall Council Meeting

The AICPA 2022 Fall Council Meeting was held October 19-20 in Chicago, Illinois. Attending on behalf of the MSCPA were Scott Christian (Chairman), Jerry Goolsby (Vice-Chairman/Chairman-Elect) and Karen Moody (President/CEO).

Anoop Mehta, Chairman of the AICPA and the Association of International Certified Professional Accountants, presided over the meeting which focused on the theme ADAPT + THRIVE as the profession is transforming coming out of the pandemic. Some of the main topics of discussion were the CPA pipeline; transformation of the workplace, talent and culture; the future of finance; and growth of advisory services. There were also updates from FASB and GASB; state regulatory and legislative affairs; National Association of State Boards of Accountancy (NASBA); and CPA.com. Once again, the MSCPA was well represented by Jan Lewis as she presented on the Inflation Reduction Act: Challenges & Opportunities as Chair of the AICPA Tax Executive Committee.

The Gold Medal Award of Distinction was presented to Bill Balhoff who served as AICPA Chairman in 2013-2014. Bill is a Director with Postlethwaite & Netterville in Baton Rouge, Louisiana.

Upcoming 2023 meetings: Regional Council meetings will be held virtually in March. Council will convene in Washington D.C. in May at which time Capitol Hill visits with our Mississippi delegation will take place.



Featured speaker Jan Lewis



MSCPA delegation Karen Moody, Scott Christian and Jerry Goolsby



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OLE MISS GRADUATES RECEIVE CPA EXAM ELIJAH WATT SELLS AWARD



Ferguson



Spencer

Two Master’s graduates from the University of Mississippi Patterson School of Accountancy received the prestigious Elijah Watt Sells Award for their performances on the 2021 CPA exam. Recipients of the award are Sydney Ferguson and Reynolds Spencer.

Ferguson completed her bachelor’s degree in 2020 and her Master of Accountancy and Data Analytics in 2021 at Ole Miss. Originally from St. Louis, she is employed with KPMG in New York City. Spencer completed his bachelor’s degree in 2020 and continued to Ole Miss to complete his Master of Accountancy in 2021. He is originally from Nashville where he works for Ernst & Young.

More than 72,000 individuals sat for the Uniform CPA Exam in 2021, with only 57 meeting the criteria for the Sells Award. The award recognizes candidates who pass all four sections of the exam on the first attempt and obtain a cumulative average score above 95.50. The award program was established by the AICPA in 1923 to recognize outstanding performance on the professional exam.

The Patterson School of Accountancy is ranked first in the SEC and tied for fourth in the nation for number of Sells Award winners from 2020 to 2022, with eight awards going to Ole Miss graduates. Dean Mark Wilder said, “Winning the Sells Award is an exceptional accomplishment. We are very fortunate to have bright, hard-working students in the Patterson School who excel academically and become leaders in the professional world.”

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Will Janoush - J.D., LL.M.



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MSCPA DAY OF SERVICE (CONTINUED)

CANTON, Haddox Reid Eubank Betts PLLC, FORVIS and MS Department of Corrections volunteered at MadCAAP to help work at their clothing closet. Also in Canton, Haddox Reid Eubank Betts PLLC, Carr Riggs & Ingram LLC, Entergy, Harper, Rains, Knight & Company, East Group Properties and FORVIS volunteered at MadCAAP to help pack Thanksgiving boxes.



CLINTON, Mississippi College School of Business and Professor Billy Morehead volunteered for Rise Against Hunger. They packed 10,146 meals to be distributed in areas where hunger is abundant.

HATTIESBURG, McArthur Slay and Dews, PLLC and McLeod & Rigel, P.A. collected and donated food items to the MS Food Network to help feed hungry Mississippians. Stephanie Higginbotham CPA, PLLC volunteered at the Edwards Street Fellowship Center food pantry. TMH and Postlethwaite & Netterville collected food donations for the food drive and volunteered at the Edwards Street Fellowship Center food pantry. Together these businesses collected a total of 318 pounds. The University of Southern Mississippi Beta Alpha Psi picked up food donations for delivery.



JACKSON, Haddox Reid Eubank Betts, PLLC and First International Bank & Trust volunteered at We Will Go Ministries helping process food donations.



MERIDIAN, Rea, Shaw, Giffin & Stuart, LLP, Swain, Collins & Napp, PA, Culpepper, Culpepper & Hurtt, CPA, Watkins, Ward and Stafford, PLLC and Castle all volunteered for the Keep America Beautiful Downtown Clean Up where they picked up trash and cleaned up downtown Meridian. Great Southern Bank Mississippi hosted volunteers with breakfast.

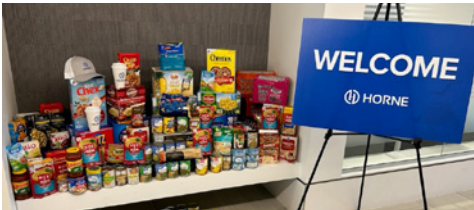


NATCHEZ, Silas Simmons, LLP and Delta Energy Group, LLC organized shelves and collected canned goods and cleaning supplies for the Natchez Stewpot.



OXFORD, Kinney & Associates, PLLC volunteered at The Pantry stocking shelves to help them to get ready for Thanksgiving. Also in Oxford, Byrne Zizzi CPA, PLLC packed food boxes at The Pantry.

RIDGELAND, Carr Riggs & Ingram, LLC, GranthamPoole, PLLC, Haddox Reid Eubank Betts, PLLC, Harper, Rains, Knight & Company, HORNE, Matthews, Cutrer & Lindsay, P.A, and the Mississippi Society of CPAs collected and donated food items to the MS Food Network to help feed hungry Mississippians. FORVIS also collected donations for the First Ridgeland Baptist Church.



STARKVILLE, the Mississippi State University Beta Alpha Psi students volunteered at the Salvation Army organizing books and the clothing closet.



TUPELO, Byrne Zizzi CPA, PLLC volunteered to serve meals at the Salvation Army.

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JONES COLLEGE CAREER FAIR

MSCPA participated in Jones College Maroon & Gold Meet Up two-day career fair in Ellisville on October 19 and 20. Here, we were able to meet community college students and high school seniors from Jones, Greene, Jasper, Clarke, Covington, Wayne, Perry, and Smith counties. Over 1,400 students were invited! A special thank you to our representatives for introducing the profession to students and encouraging the CPA as a valuable and rewarding career.



Laura Cerra, YCPA At-Large Board Members: Lindsay James & Andres Posada, Caitlin Chancellor



YCPA President Ashley Sullivan, Lydia Windham, YCPA At-Large Board Member Noah Davis

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EMPLOYEE RETENTION CREDIT CLAIMS

FACTS VERSUS FRAUD

The Employee Retention Credit (ERC) has created a cottage industry that is providing misleading and false information to employers. Tax credit recovery companies have been in business for years, and for the most part have done a credible job in recovering tax credits that were not properly claimed on original tax returns. However, many of these companies, and some new entrants to the marketplace, have been using deceptive advertising and practices to convince companies to claim the Employee Retention Credit when the companies do not qualify for the ERC when properly applying IRS guidance.

This cottage industry has caused conflict between CPA firms and their clients by directly contacting those clients and informing them they do qualify for the ERC even though their existing CPA has concluded that they do not qualify. This practice leads to distrust between the CPA firm and the client because often the CPA firm has performed procedures and properly concluded that the client does not qualify. One particular ERC promotional flyer sent out to all of the customers of a bank that had partnered with a credit recovery firm stated, “You can still qualify even if your CPA didn’t think you would qualify”.

Much of this conflict is related to when, and if, a government order allows an entity to qualify for the ERC. If a credit recovery company cites an order as an eligible order, the first item to address is the start and end date of that order. If there is no start or end date, then the proclamation/guidance cited by the credit recovery company cannot be considered an appropriate government order. The employer is only eligible for the ERC for wages paid during the effective date of the order, so if there is no effective beginning or ending date of the order, logic dictates that no appropriate order exists. An oft-cited misrepresentation is that guidance issued by the CDC promoting social distancing or other COVID related procedures is a qualifying government order. This position is not supported by any specific IRS guidance, and is in fact refuted by IRS Notice 2021-20.

If a client informs you that they have been contacted by a credit recovery company and

requests that you review your conclusions or the conclusions of the credit recovery company, the author recommends the following course of action:

Make an inquiry to determine why the credit recovery company believes your client qualifies for the ERC.

Evaluate the position of the credit recovery company with your prior research and *authoritative* guidance issued by the IRS. Determine whether information provided by the credit recovery company provides new information which changes your opinion on the potential ERC claim. Inform your client of the conclusion you reach. If you still believe that the client does not qualify for the ERC, it is recommended that you inform your client in writing, so that your position is clear.

ELIGIBILITY MYTHS

In order to qualify for the ERC an employer must demonstrate eligibility. This determination is where there are some very questionable positions that are taken by credit recovery companies. The following eligibility issues have been the source of conflict between the author and credit recovery companies.

Gross receipts test

Myth

Some credit recovery companies claim an employer may use an accounting method in calculating gross receipts that differs from the method used by the employer when filing its tax return.

IRS Guidance

IRS Notice 2021-20, Part III E, Question 24 states the term “gross receipts” has the same meaning when used under section 448(c) of the code. Therefore, the employer must use its tax method when determining the decline in gross receipts.

Supply chain interruptions

Myth

Credit recovery companies often claim that any interruption in the supply chain will automatically qualify an employer for the ERC. The position that any interruption will qualify a business for the ERC is not supported by IRS guidance.

IRS Guidance

IRS Notice 2021-20 provides specific guidance on this topic in Section III Part D, question 12. Per this guidance, the employer must establish the supplier had to suspend operations due to a government order *and* the employer’s business operations were fully or partially suspended. Based on this guidance, an employer should document the specific government order that caused the supplier to suspend operations. If no such order can be found, the employer is not eligible for the ERC under this provision. Further, if the supplier is subject to the order, the employer must establish facts and circumstances that its operations were fully or partially suspended as result of the inability to obtain critical goods or materials. In the example that supports this guidance, the IRS Notice explains that to qualify for the ERC, the employer must also demonstrate that it was unable to procure such raw materials from an alternate supplier.

Cutting back on your hours of operation or decrease in demand

Myth

If COVID-19 or government orders caused the customers of a business to stay at home or otherwise caused a reduction in demand, an employer will qualify for the ERC.

IRS Guidance

IRS Notice 2021-20 Section III Part D, question 13 clearly states that such a scenario will not qualify an employer for the credit under the government order rule. This section refers the employer to the gross receipts test to determine eligibility. If the reduction in demand does not reduce revenue below the statutory decline of 50% in 2020 or 20% in 2021, the employer is not eligible under the government order rule.

Myth

An employer that decides to reduce hours, even though not subject to a government order that fully or partially suspends operations, qualifies for the ERC.

IRS Guidance

IRS Notice 2021-20 Section III Part D, question 14 addresses this issue, and states an employer does not qualify for the

ERC if there is a voluntary full or partial suspension of operations. Therefore, the employer would not be eligible for the ERC using this rationale.

Telework – School closings

Myth

If an employer incurs a partial or full suspension of operations due to a government order, such as a private school being closed, the employer is automatically eligible for the ERC.

IRS Guidance

IRS Notice 2021-20 Section III Part D question 15 states if an employer is able to continue operations comparable to its operations prior to the closure, including telework, the employer's operations are not considered to have been fully or partially suspended. Therefore the employer is not eligible for the ERC. If the employer school went to an on-line learning platform, and had no substantial withdrawals (and related refunds of tuition), it is the opinion of the author the employer does not qualify for the ERC.

Limitation of group meetings

Myth

If an employer must cancel any meeting or conference, the employer is automatically eligible for the ERC and no further analysis of the facts and circumstances are necessary.

IRS Guidance

IRS Notice 2020-10 Section III Part C, question 10 provides guidance and numerous examples of what constitutes a government order that could qualify an employer for the ERC. The appropriate government order must limit commerce, travel, or group meetings and relate to the suspension of an employer's operations of its trade or business. The guidance further states that "such a declaration that limits commerce, travel, or group meetings, but does so in a manner that does not relate to the suspension of an employer's operation of its trade or business does not rise to the level of a government order for purposes of the employer's determination of its eligibility for the employee retention credit." The author has concluded it is paramount that the employer demonstrate how the declaration that limited such activities

actually led to a suspension of the operation in order to be eligible for the ERC.

Throughout the pandemic, the CPA profession has stood out as a leader in assisting our clients and our companies in determining the most appropriate, and legal, course of action related to government programs. The CPA's obligation to protect the public, our clients, and their companies is being put to the test because of the tactics used by many credit recovery companies. It is very easy for management of a company to want to believe that they are eligible for the ERC based on the very dubious interpretations that are offered by credit recovery companies, and we must do our best to evaluate each claim. If an employer is eligible for the ERC based on the facts and supported by IRS guidance, the author strongly urges the employer to apply for all credits to which they are legally entitled. Conversely, if the facts do not support eligibility, the CPA should clearly communicate his or her position to management, and cite IRS guidance to the extent possible to support his or her conclusion.

This article is provided by Kurt Oestricher, CPA

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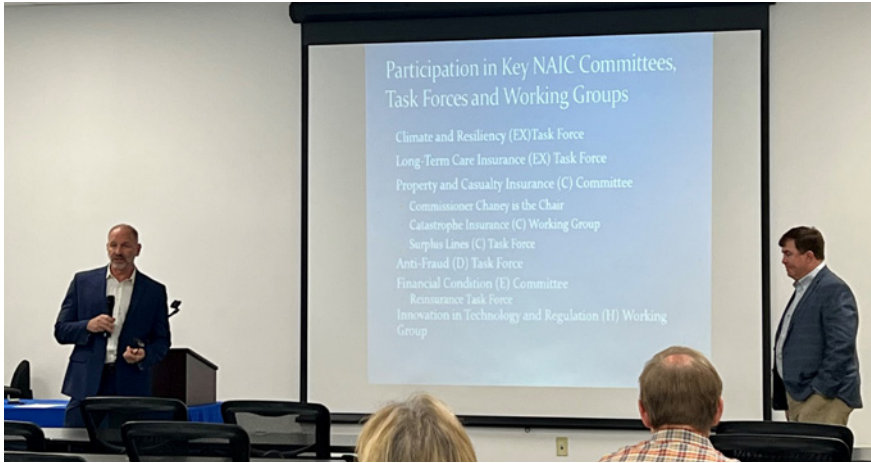
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CONFERENCES

Industry Conference

MSCPA hosted our Industry Conference on October 20, 2022. This event is designed to approach critical topics from the perspective of a CFO, controller, manager or accountant from the inside of a business or industry position. Thank you to all our speakers and committee members who made this conference a success. This year's speakers: Jeremy Bond, David Caldwell, Patrick Sanford, Robert Zischke, David Browning, Andy Case, Daniel Champney, Ashley Edwards, Max Littlejohn and Honey Holman. Special thanks to committee member Megan Tidwell for representing and leading the conference. Chairman: Kimberly Williams, Millennial Chairman: Allison Garner.



Accounting Education Conference

The MSCPA hosted our Accounting Education Conference on October 28, 2022. This annual event updates accounting educators on accounting industry trends and equips them to help their students succeed. Thank you to all our speakers and committee members who made this conference a success. This year's speakers: Steve Matzke, Louise Burney, Logan Reeves, Shawn Mauldin, Christy Nielson, Noah Davis, Kayla Jo Martin, Michael Groves, LaDarrion Grant, Miya Bates, Tracy Morgan and Andy Wright. Chairman: Shawn Mauldin
Millennial Chairman: Jessica Short



Committee





**Mississippi Society of
Certified Public Accountants**
and its Education Foundation
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IS IT TIME TO SELL? Place your practice in trusted hands. A successful accounting practice may sell easily, but can that buyer be trusted with your legacy? If you are considering retirement or selling for another reason, allow us to explore options with you. Contact Charles Lindsay, CPA at charles.lindsay@mcl.cpa.org or 601.898.8875.

THE MISSISSIPPI BAPTIST FOUNDATION, a non-profit Mississippi corporation, is seeking qualified applicants for an accounting position(s). Resumes may be submitted (complete with references, salary history, and pastor's recommendation) to: Personnel Administration, Mississippi Baptist Foundation, Post Office Box 530, Jackson, MS 39205 or via email to dhall@mbcb.org. Please visit the Foundation's website at www.msbaptistfoundation.org for more information.