

NEBRASKA CPA

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NEBRASKA CPA

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PRESIDENT'S MESSAGE

BY JONI SUNDQUIST, NEBRASKA SOCIETY OF CPAS

LEGISLATION, TASK FORCES & CPE PLANNING TAKE THE FOREFRONT

The Society Executive Committee

and Board of Directors held their first meetings of 2021 via Zoom on January 5, with Chairman Ryan Burger of Gabriel, Burger & Else, CPA, PC in Seward presiding.



Megan Holt Joins Society Board

Chairman Burger welcomed Megan Holt of Omaha to the Society Board. Holt was elected to fill a vacancy on the board and will be eligible for reelection in October during the Society's Annual Meeting. She began her career in KPMG's audit practice and served clients in the banking, asset management, and insurance industries for six years before joining Mutual of Omaha in 2016. At Mutual of Omaha, she held roles in technical accounting, internal controls, and financial risk management before accepting her current position as risk management director in Mutual of Omaha's Enterprise Risk Management (ERM) operation. In this role, Holt is responsible for monitoring and oversight of emerging and strategic risks facing the company. She is also an active member of Mutual of Omaha's Financial Development Program (FDP) Leadership Team, where she supports the coordination, management, and recruitment of FDP interns and associates, leadership of outreach efforts at local high schools and universities, and creation and

maintenance of a competitive finance and accounting talent development program.

Holt received her bachelor's degree from the University of Nebraska at Omaha in December 2009. She earned her CPA designation in 2010 and is actively involved in the Nebraska Society of CPAs as a member of the Accounting Careers Committee and facilitator of the accounting mentorship program. Holt also serves as a member of the board of directors for Live On Nebraska, an independent, non-profit organization dedicated to saving and healing lives through organ, tissue, and eye donation.

Budget Finalized

During the meeting, the Society Board reviewed the approximately \$1.15 million preliminary Society budget for 2021-2022. There will be no increase in membership dues this coming year. The final version of the budget will be reviewed by the Society's Executive Committee in late March prior to the Society's new fiscal year, which begins April 1. In anticipation of the new fiscal year, Member Profiles and CPE Transcripts have been either emailed or mailed to all members; Member Dues Statements will be emailed/mailed before April 1.

In addition, the Society Executive Committee and Board approved 13 Society membership applications and approved recommendations by the Awards Selection Committee to honor four outstanding Society members during the 2021 Annual Meeting.

Society Vice President Kelly Ebert presented the Board with a report regarding the Society's 2020 Continuing Professional Education (CPE) programs; nearly 90 courses and conferences were held with a total of 2,549 registrants—an excellent year, particularly in light of the ongoing pandemic and the fact that all in-person programming was converted to webcast during the past year. The Society will continue offering all formal CPE via webcast through the

end of July and will assess the feasibility of moving to live in-person events after that time. The Fall Conference & Annual Meeting is scheduled to be held in-person on Thursday, October 28, and Friday, October 29, at the Embassy Suites Conference Center in La Vista.

Chapter 5 Rules of Professional Conduct Task Force Formed

A Chapter 5 Rules of Professional Conduct Task Force, led by the Nebraska Board of Public Accountancy, has been formed this year to review Chapter 5, the Rules of Professional Conduct, adopted pursuant to the provisions of Section 1-112 of the Nebraska Board of Public Accountancy Act, Title 288. Discussion will center on whether Nebraska should adopt the AICPA Code of Professional Conduct; Nebraska is one of 17 states that has not adopted the AICPA Code. Members of the task force will include representatives from the State Board and the Nebraska Society as follows:

- Chairman: Dr. Thomas Purcell, CPA, State Board Chairman
- Vice Chairman: Dan Davis, CPA, Society Ethics Committee Chairman
- Melissa Ruff, CPA, State Board Enforcement Chairman
- Rand Hansen, CPA, Society Ethics Committee Member
- Michele "Shelly" Stomp, CPA, Former State Board Enforcement Chairman
- Joni Sundquist, Society President
- Dan Sweetwood, State Board Executive Director
- Kristen VanWinkle, State Board Administrator
- Jim Titus, Esq., State Board Attorney

CPA Firm Ownership Task Force Created

Yet another task force, the CPA Firm Ownership Task Force, has been formed this year to examine limitations on non-CPA ownership of CPA firms found in the



Stay tuned for further updates and information impacting the profession via the Society's "News Updates," which are emailed periodically to your inbox.

Nebraska Public Accountancy Act, Section 1-162.01. Members of this task force will include:

- Chairman: Ryan Burger, CPA, Society Chairman
- Vice Chairman: Marcy Luth, CPA, State Board Vice Chairman
- Dr. Thomas Purcell, CPA, State Board Chairman
- Dana Weber, CPA, Society Board Member & West Nebraska Chapter President
- Joni Sundquist, Society President
- Dan Sweetwood, State Board Executive Director
- Kristen VanWinkle, State Board Administrator

107th Legislature in Session

During the Society Board meeting, lobbyists Walt Radcliffe and Korby Gilbertson of Radcliffe, Gilbertson & Brady led a discussion regarding the First Session of the 107th Legislature. Eight newly elected members, including three who served previously in the Legislature but left office due to term limits, were sworn in on January 6, the first day of the Legislature. Lawmakers are spending the 90-day session creating a two-year state budget and redrawing legislative and other district boundaries based on population changes reflected in the 2020 U.S. Census. They also are considering legislation related to pandemic recovery, the construction of a new state prison, police oversight, and public school funding. COVID-19 restrictions are preventing face-to-face interaction between state senators and lobbyists in the Capitol building, and committee hearing schedules have been impacted.

Your Society is keeping a close eye on Sen. Tom Briesse's LB422, which proposes to tax all services. The hearing on the bill before the Nebraska Legislature's Revenue Committee occurred February 3. As part of the Coalition Against Service Taxes (CAST), which includes approximately 30 organizations, the Society signed on to a letter from the group expressing opposition to this legislation. As has been the case for many years, Society lobbyist Korby Gilbertson of Radcliffe, Gilbertson & Brady presented testimony and the coalition's letter in opposition to the bill. Another bill you may want to keep your eye on, LB133, introduced by Sen. Steve Erdman, proposes to eliminate our current tax structure and switch to a flat "consumption" tax on the purchase of goods and services.

The Society also submitted a letter in conjunction with the Nebraska Board of Public Accountancy regarding our opposition to LB263, which would require occupational boards to issue certain credentials based on credentials or work experience in another jurisdiction. As presented, we believe LB263 could create confusion regarding State Board requirements for CPAs applying for licensure in Nebraska. We also have concerns that the bill could create a "loophole," allowing individuals to maneuver requirements in other

jurisdictions with the goal of bypassing Nebraska requirements. In addition to the letter, the Society joined six other organizations in testifying against the legislation; lobbyist Kent Rogert of Jensen Rogert Associates delivered testimony on behalf of the coalition. From what we understand, Sen. Dave Murman plans to draft an amendment that would make the bill only apply to professions that do not have reciprocity in statute or rules and regulations.

Yet another piece of legislation the Society is watching is LB369, concerning the Auditor of Public Accounts' access to working papers and audit files. The major change to Nebraska Revised Statute 84-305 appears to be the addition of late fees and penalties for delays in providing requested documents to the Auditor of Public Accounts.

Society leadership is keeping an eye on LB74, too. Introduced by Sen. Suzanne Geist, LB74 would sunset the Nebraska Advantage Microenterprise Tax Credit Act in 2020 and move the \$2 million saved from the elimination of the Act to the Nebraska Department of Economic Development to increase the appropriation for the Business Innovation Act. While a number of CPA firms take advantage of the credit on behalf of their clients, the Society has learned that the Microenterprise Tax Credit is not being utilized to its full potential and is not taxpayer friendly. The purpose of the Business Innovation Act is to encourage and support the transfer of Nebraska-based technology and innovation in rural and urban areas of Nebraska in order to create high growth, high technological companies, small businesses, and microenterprises and to enhance creation of wealth and quality jobs.

Speaking of cumbersome tax credits, we've been hearing from many of you about the Nebraska Property Tax Incentive Act Credit. We understand that the process to claim the credit is very cumbersome and that in many cases the cost of complying with the tax credit requirements eats up the amount of the credit. The Society will continue working with the Nebraska Legislature and Nebraska Department of Revenue to help find solutions to your challenges and answers to your questions. You will find more information at <https://revenue.nebraska.gov/about/nebraska-property-tax-incentive-act-credit>.

Stay tuned for further updates and information impacting the profession via the Society's "News Updates," which are emailed periodically to your inbox. As always, please feel free to reach out with your concerns. We'll always do our best to track down the answers to your questions.

The Nebraska Society of CPAs Executive Committee will meet March 19 and the next Society Board of Directors meeting will take place May 13 via Zoom. Please feel free to contact me or any member of the Society Board with suggestions or comments prior to the next meeting. ◀



Joni Sundquist is president and executive director of the Nebraska Society of CPAs. You may contact her at (402) 476-8482 or joni@nescpa.org.

THE CPA EXAM: WHERE IT'S BEEN & WHERE IT'S HEADED

BY DOUGLAS W. SKILES, CPA



Back in 2003 when I first went on the Nebraska Board of Public Accountancy (State Board), the CPA exam was a paper exam. It wasn't until the second quarter of 2004 that the first computer-based test was launched.

Computer-based testing (CBT) didn't just happen. It's a three-way partnership between the National Association of State Boards of Accountancy (NASBA), which processes candidates who have met state requirements to sit for the exam, the American Institute of Certified Public Accountants (AICPA), which authors and scores the exam, and Prometric, which administers and proctors the test. With the paper exam, each state was in charge of its own facility and proctoring of the exam. When Prometric and CBT entered the picture, not only did the exam need to be consistent, but also the testing facilities and equipment now needed to be uniform throughout test sites. Prometric was an ideal choice, as it provided proctoring internationally.

The exam had its growing pains. It was such a change from the paper format that it caused concern in nearly all of the states regarding reliance on the exam. Some of the larger states considered developing their own teams to do a comprehensive review of the new CBT, in order to make sure the exam was relevant and fair, and that passing candidates had comparable skills to those who had passed under the paper exam. But it didn't make sense for the AICPA Board of Examiners (BOE) to be subjected to multiple states reviewing the development and delivery of the exam. At that point, NASBA stepped in and established the CPA Examination Review Board (ERB) so that one entity would have the responsibility for administering a "compliance review" and report to the state boards of accountancy (BOAs).

The charge of the ERB is to ensure that only qualified individuals receive the CPA



credentials. The ERB must review, evaluate, and report on the appropriateness of the policies and procedures utilized in the preparation, grading, and administration of the Uniform CPA Examination and other examinations in general use by Boards of Accountancy for the licensing of certified public accountants. The findings of the review are provided annually at the NASBA regional meetings.

The Exam & COVID-19

Changes have been happening rapidly with all facets of the exam. Prior to COVID, the AICPA had been systematically retiring obsolete questions as the focus moved from testing knowledge to testing application of skills based on knowledge. This meant more simulations and fewer questions. NASBA has been working to upgrade the interface between the candidate, the states, and its partners, the AICPA and Prometric.

Prometric made timely upgrades and training that helped prepare for the pandemic. I personally was on site at Prometric's headquarters the end of February 2020 as the pandemic was just spreading in the northeast. Once colleges began closing campuses, Prometric in turn suspended testing. As COVID began to spread across the country, concern grew over the fate of CBT. Many Prometric test sites were on college campuses, which were closing their doors and moving to online classes. This was not an option for CBT. Prometric has very strict requirements to keep the delivery of the exam consistent and safeguarded from theft of exam questions. So, as test sites closed, Prometric began to focus on the challenges of "distancing" within the test sites. This meant that fewer seats were available at any one time and candidates needed to know if the test site they were scheduled for would be open or closed when they were scheduled to test.

The challenge for the ERB then became what is changing, how will we review it, and what resources are available to do the review. Further complicating the review was NASBA's COVID travel ban. Thanks to the continual upgrading of technology, particularly within Prometric, several tools were available for the ERB to do the vast majority of the review and testing of controls. The ERB is continuing to focus on the guiding principles of testing. The 12 components of testing listed in the ERB annual report are the framework of the review and, even though COVID has changed the landscape, the framework has not changed.

Continual challenges and changes will occur in the future as the content and delivery of the exam must keep pace with the business and technology world. As we face these challenges, it is good to



As COVID began to spread across the country, concern grew over the fate of CBT. Many Prometric test sites were on college campuses, which were closing their doors and moving to online classes.

know that the Nebraska Society of CPAs and the Nebraska Board of Public Accountancy work together exceptionally well, especially from a bird's eye view compared to other states across the land. And that, in part, is due to our Nebraska pride and volunteerism that makes all these things possible. ◀



Douglas W. Skiles, CPA, is chairman of the CPA Examination Review Board and the Prometric lead. He is also currently a shareholder with Skiles, Loop, Bremer & White, CPAs, PC. He is a former NASBA central regional director, past chairman of NASBA's Relations with Member Boards Committee, former NASBA representative on the Board of Examiners' Practice Analysis Sponsor Advisory Group (SAG), past chairman of the CBT Examination Administration Committee, and a former member of NASBA's Audit Committee, Education Committee, and Enforcement Committee. He served on the Nebraska Board of Public Accountancy from 2003 to 2013, with three years as its chairman. He is a former chairman of the State Board's Education & Examination Committee, Educational Advisory Committee, and Legislative Committee, and a former member of the State Board's Quality Enhancement Program Committee. During 2011 to 2013, he chaired the Experience Work Group, a collaboration between the State Board, Nebraska Society, and other stakeholders, which successfully passed new experience requirements in 2013 for Nebraska CPA candidates. He also has served as an accounting instructor for the University of Nebraska at Kearney and McCook Community College. You may contact him at 308-345-5100 or dskiles@slbwcpa.com.

KEY TAX PROVISIONS IN 2020 YEAR-END CORONAVIRUS RELIEF BILL

BY JEFF SCHAFFART AND NICHOLAS BJORNSON, KOLEY JESSEN

On December 27, 2020, a year-end legislative package containing \$900 billion in coronavirus pandemic relief was signed into law. Among other things, the relief bill allows businesses to deduct expenses paid for with Paycheck Protection Program (PPP) loans, extends and expands the employee retention credit (ERC), extends the payroll tax credits for paid and sick leave included in the Families First Coronavirus Response Act (FFCRA), and makes business meals fully deductible for 2021 and 2022. The coronavirus relief bill extends and modifies several provisions first enacted in the CARES Act, which was passed in March 2020. The package extends relief through mid-March 2021.

This article summarizes the major tax provisions in the coronavirus relief bill, which may benefit businesses and business owners.

Expenses Paid With PPP Loan Proceeds Are Deductible

The coronavirus relief bill clarifies that recipients of PPP loans can deduct eligible expenses paid with forgiven PPP loans. This clarification applies to both original PPP and subsequent PPP loans. In Notice 2020-32, which is now legislatively overruled, the IRS stated that expenses paid for with PPP loan proceeds were not deductible. This clarification results in a two-part subsidy to businesses comprised of deductions and tax-free loan forgiveness. This same tax treatment also applies to Economic

Injury Disaster Loan (EIDL) grants and certain loans and loan repayment assistance.

Employee Retention Credit

The CARES Act granted eligible employers a refundable employment tax credit equal to 50 percent of qualified wages (up to \$10,000 per employee) paid after March 12, 2020, and prior to January 1, 2021, to eligible employees during a calendar quarter. To be eligible, businesses must either (i) be subject to a coronavirus government order partially or fully suspending their operations, or (ii) suffer a 50 percent decline in gross receipts from the same quarter in 2019. Under the CARES Act, the employee retention credit was scheduled to expire on December 31, 2020.

The coronavirus relief bill extends the availability of the employee retention credit through June 30, 2021, and expands the program. Changes to the program include:

- Increasing the employee retention credit from 50 percent of qualified wages to 70 percent of qualified wages for wages paid from January 1, 2021, to June 30, 2021;
- Increasing the employee retention credit qualified wages cap from \$10,000 per employee per year to \$10,000 per employee per quarter for 2021;
- Allowing employers with 500 or fewer employees to treat all wages paid to employees regardless of whether or not they are



performing services as eligible wages from January 1, 2021, to June 30, 2021 (employers with more than 100 employees may only receive employee retention credits for wages paid to employees while they are not providing services due to business suspension or a significant decline in gross receipts for the period of March 12, 2020, to December 31, 2020); and

- Expanding eligibility, for the January 1, 2021, to June 30, 2021, period, to receive employee retention credits to include employers who experience a 20 percent reduction (instead of 50 percent reduction) of quarterly gross receipts compared to the prior year quarter or prior quarter.

The coronavirus relief bill clarifies that businesses will now be eligible to participate in both the employee retention credit and PPP loan programs. Under the CARES Act, employers who had PPP loans forgiven were ineligible for the employee retention credit program. The coronavirus relief bill also allows new employers that weren't in existence for all or part of 2019 to claim the credit and permits public colleges, universities, and medical and hospital facilities to claim the credit.

Tax Credits for Paid Coronavirus Leave

The FFCRA, which went into effect April 1, 2020, provides up to 80 hours of emergency paid sick leave, and up to 12 weeks of partially paid emergency family leave, to employees of certain employers who are unable to work due to COVID-19-related reasons. The FFCRA expires by its own terms on December 31, 2020, but the coronavirus relief bill extends the payroll tax credit for paid sick leave and paid family leave through and until March 31, 2021.

Deduction for Business Meals

The coronavirus relief bill includes a 100 percent deduction for business meal expenses for 2021 and 2022. Previously, business meals were subject to a 50 percent deduction limitation.

Charitable Contribution Deduction

The CARES Act provided an above-the-line charitable deduction in 2020 of up to \$600 for married joint filers and \$300 for other

filers who made cash contributions to certain public charitable organizations. This above-the-line charitable contribution deduction is extended through 2021.

The CARES Act also increased the percentage limitations on certain charitable contributions made by individuals and corporations in 2020. The coronavirus relief bill extends those increased limits to contributions made in 2021. In light of this, individual taxpayers may claim an unlimited itemized deduction for charitable contributions to public charities (other than donor-advised funds) for 2020 and 2021; the limit was previously 50 percent of AGI. In the case of corporations, the usual 10 percent of AGI limitation is increased to 25 percent for the 2020 and 2021 tax years.

Qualified Disaster Relief Payments

The percentage limitations for charitable contributions of qualified disaster relief payments made by a corporation are suspended for contributions paid during the period beginning on January 1, 2020, and ending 60 days after the date of a qualified disaster declaration. To qualify, contributions must be paid in cash; must be made to qualified charitable organizations; must be made for relief efforts in one or more qualified disaster areas; and the taxpayer must receive contemporaneous written acknowledgment that such contribution was used (or is to be used) for such relief efforts. ◀



For more information, contact Jeff Schaffart or Nicholas Bjornson at Koley Jessen at jeff.schaffart@koleyjessen.com or nicholas.bjornson@koleyjessen.com, respectively. Schaffart solves complex tax and legal issues by providing timely, pragmatic advice to private equity sponsors, general counsel, management teams, and business owners. Bjornson's practice focuses on federal, state, and international taxation of corporations, partnerships, and individuals.



TAX SEASON NEWS FOR INDIVIDUALS & THEIR 2020 TAX RETURN

BY SHARON KREIDER, CPA



1. Economic impact payments. Round one and round two of economic impact payments (EIP) are reconciled on the 2020 tax return. The EIPs were an advance. If the client received less than he or she should have, that individual will be able to claim an additional EIP credit on his or her 2020 return. Clients who received too much of an advanced rebate because the payment was based on their 2019 (or 2018 for the first-round payments if the 2019 return was not yet filed) income do not need to repay the excess when they file their 2020 tax return.

Two EIP problems exist at the moment. The first problem is that clients want to know when they will receive their \$600 second-round payment. Direct deposit payments have already been made. If the client changed his or her bank account since filing the 2019 return, direct deposits were returned by the “old” bank to the IRS, and the credit is only available on the 2020 return. If direct deposit information was not included on the 2019 returns, EIP checks or debit cards are in the mail. The client can check on the status of his or her first- and second-round EIPs at <https://sa.www4.irs.gov/irfof-wmsp/login>. The status includes the payment date and the method (direct deposit or mailed payment date).

The second problem clients are asking about is the next promised round of stimulus payments. From the news, if additional relief legislation is passed, an additional \$1,400 per adult and some amount for children under 17 will result. You already know the questions that will arrive by phone message, email, and text from your clients. Here is a question just for us in the tax practitioner community. Will an additional amount be reconciled on the 2020 return since it appears that the proposed rebate will again be based on the 2019 adjusted gross income (AGI)? Will the third round of EIPs delay finishing and filing our returns?

Tax practitioner note. New EIP FAQs have been posted. For the latest news on the second-round payments, check out <https://www.irs.gov/coronavirus/get-my-payment>.

2. Sick leave and family credits on the Form 1040. Self-employed individuals may be entitled to sick leave and/or family leave credit on their 2020 Form 1040. With 25 million COVID-19 cases in the United States, it's likely that when you ask your client how their year has been they will respond about (1) their own COVID-19 illness, (2) their exposure and quarantine, and/or (3) their awful homeschooling experience with the kids. If the self-employed person was instead an

employee, The Families First Coronavirus Response Act required the employer to pay the affected employee their regular rate of pay for 10 days of sick leave (limited to \$511 per day) or pay them two-thirds of their regular pay rate for 10 weeks of family leave (limited to a maximum of \$200 per day). The government reimbursed the employer through payroll tax credits the amount paid to the employee. The self-employed individual (or a partner in a partnership) is entitled to the same sick and family credits on their individual tax return. The credit is calculated on the new Form 7202. The rules are strict, but the resulting credit can be as much as \$15,000. It is worth checking IRS FAQs 60 to 68 at <https://www.irs.gov/newsroom/special-issues-for-employees#specific-provisions-related-self-employed-individuals> titled "Specific Provisions Related to Self-Employed Individuals" for the rules.

3. Earned Income Tax Credit (EITC). The Consolidated Appropriations Act, 2021 lets taxpayers use their 2019 earned income if that results in a larger EITC. Watch for input changes in your computer software. Remind clients that refunds for taxpayers claiming the earned income tax credit or additional child tax credit can't be issued before mid-February. This applies to the entire refund, not just the portion associated with this credit.

4. Form 1099-NEC. Beginning in 2020, individuals may receive Form 1099-NEC, Nonemployee Compensation, rather than Form 1099-MISC, Miscellaneous Income, if they performed certain services for and received payments from a business. Please refer to the instructions for Form 1099-MISC and Form 1099-NEC to ensure business clients are filing

the appropriate form and are aware of this change. Go to <https://www.irs.gov/forms-pubs/about-form-1099-nec>.

State reporting issue. The IRS has delayed including the Form 1099-NEC in its Combined Federal/State Filing (CF/SF) Program. If you prepare 1099s for your client, check to see if you must separately supply the Form 1099-NEC to the state, especially considering that source-based reporting may require (1) identifying where services were performed by the vendor, and (2) reporting the amounts paid for such services in the state boxes of Form 1099-NEC.

Example. A Nebraska business pays a California individual \$2,000 to perform IT services for its website. The Nebraska business must file a Form 1099-NEC to report the \$2,000 payment for federal purposes. Because services were performed in California, the state boxes should report the \$2,000 as California income, and the 1099-NEC must be filed with California. A state payor number may be required. ◀

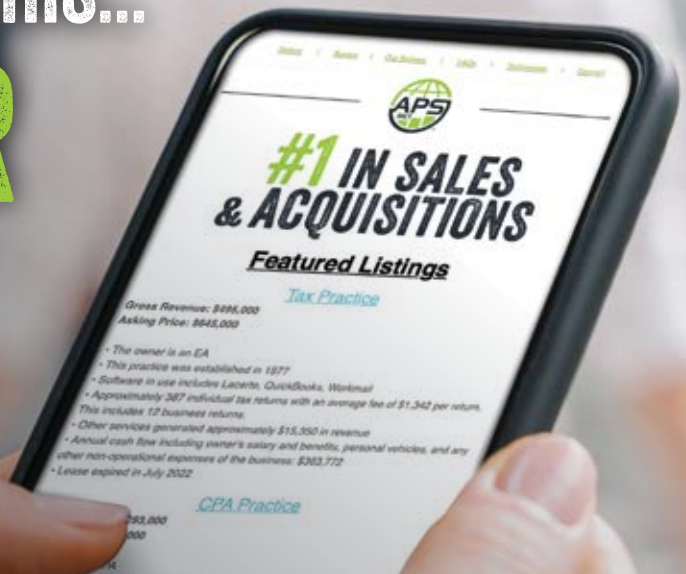


Sharon Kreider, CPA has helped more than 15,000 California tax preparers annually get ready for tax season for the past 19 years. With a keen ability to demystify complex individual and business tax legislation, Kreider instructs Western CPE tax seminars and presents regularly for the AICPA, the California Society of Enrolled Agents, and A.G. Edwards. She gained her detailed, hands-on tax knowledge through her extremely busy, high-income tax practice in Silicon Valley. For more information, contact Western CPE's customer service center at (800) 822-4194 or wcpe@westerncpe.com. ©2021 Sharon Kreider

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HOW TO CHECK IN WITH REMOTE EMPLOYEES (WITHOUT BEING A MICROMANAGER):

4 STEPS TO IMPROVE
PRODUCTIVITY AND
ENGAGEMENT

BY JASON LAURITSEN

REMOTE EMPLOYEE CHECK-IN CHEATSHEET

As a manager, it's always been important to stay connected to your team. As many organizations have shifted to work from home arrangements, this has become increasingly challenging.

When working remotely, there's no way to really know how your people are doing without checking in with them frequently. But, how do you check in more often without employees feeling like you are trying to micromanage them?

Below are a list of steps to help you more effectively check in with your employees in a way that keeps them engaged and productive, regardless of where they do their work.

1. GET IN THE RIGHT MINDSET.

The purpose of your check-in isn't for you, it's for the employee. Your goal is to reinforce to the employee (through both your investment of time and attention) that you care about them and are there to support them. Channel your energy into being empathetic. Try to really understand your employee's circumstances so you can best help them succeed.

Here are a few reminders to review as you prepare for a check-in.

- Remind yourself that this check-in is for the employee, not you. It's their time with you.
- Less talking, more listening. In a great check-in, the employee will talk most of the time.
- Give your full attention to the conversation—no multitasking or distractions.
- Seek to understand and learn about the employee and how you can help them.

2. HAVE A PLAN.

When you show up to an employee check-in without a clear plan, you send a message to the employee that you didn't care enough to prepare. Don't make this mistake. Spend at least as much time in advance preparing as you have scheduled for the check-in. A plan can be as simple as a basic outline or agenda.

There are a few signs you have a good plan for the check-in:

- The check-in and prep time is scheduled and a recurring appointment in your calendar for each employee.
- You have an outline or agenda for the conversations along with

notes about the specific employee you are meeting.

- The employee knows the purpose of and what to expect from the check-in.

3. ASK GOOD QUESTIONS.

The key to a great check-in is asking good questions. Particularly when people are working from home, many facing less-than-ideal circumstances, the key to learning about how they are and what they need is the right question. But remember, asking a good question only matters if you truly listen and hear the response. Use your active listening skills to ensure employees feel truly heard.

Here are some examples of good questions to get you started:

- On a scale from 1 to 10, how's your stress level right now? What makes work hardest for you right now?
- How do you feel about your work-from-home setup?
- What was your biggest win this week—with work or just in general?
- How can I help make your work day less stressful?

4. SHOW THE LOVE.

We all crave acknowledgement and validation by others—particularly those who are important in our lives. As a manager, one of the most important things you can do is to show appreciation to your people. The simple act of acknowledging an individual's efforts or struggles can go a long way towards making them feel like they matter. And don't worry, it's virtually impossible for you to "over do it" on appreciation as long as it's sincere.

Tips for how to show the love to your employees in a check-in:

- Use video. Making eye contact, smiling, and giving other visual cues of your commitment to the conversation is powerful.
- Lead off your check-in by expressing some sincere appreciation. Prepare some notes in advance. Reinforce that you care about them and are committed to helping them succeed.

A FINAL NOTE

If you are wondering when you get to talk about work priorities and tasks, it will surface through your conversations as needed. The check-in shouldn't be the only conversation you have with your people. Others might focus on planning work, managing expectations, setting priorities, and personal development.

The key to the check-in is to ensure the human beings doing the work are well and have what they need to perform. Once that's done, the conversation about the work will surface and find its way to what matters most. Take good care of the human first, they will then take good care of the work.

As a manager, you have the awesome opportunity to shape the work experience of other people for the better. Your commitment to being a thoughtful and caring leader can literally change people's lives for the better. Managing isn't always easy, but putting in the effort to do it right is always worth it. ◀



This article was originally published at <http://bit.ly/Lauritsen-Remote-Employees>.

Jason Lauritsen is a keynote speaker, author, and leadership trainer who will challenge you to think differently. He is an employee engagement and performance management expert who passionately believes that work can and should be a fulfilling experience for every employee. Lauritsen is the founder and lead instructor of the Employee Performance Academy, where he uses a blend of research, practical experience, and storytelling to empower managers to have a more positive impact on their people and to create organizations that are good for both people and profits. Lauritsen led the research team for Quantum Workplace's Best Places to Work program for three years, where he studied the employee experience at thousands of companies. He is the author of two books, "Unlocking High Performance: How to use performance management to engage and empower employees to reach their full potential" and "Social Gravity: Harnessing the Natural Laws of Relationships." Connect with him at www.JasonLauritsen.com or by email at jason@jasonlauritsen.com.



YOUR CLIENT HAS RECEIVED A NEBRASKA NOTICE OF DEFICIENCY: NOW WHAT?

BY NICK NIEMANN AND MATT OTTEMANN, MCGRATH NORTH

As with all tax matters, state and local taxes offer

the opportunity to choose to plan ahead, or to choose to not plan ahead. Planning ahead usually results in the better outcome. In either situation, all taxpayers are subject to being audited. All audits are either resolved at the audit level or resolved on appeal.

When a state tax matter is not resolved upon audit, a Notice of Deficiency will normally be issued. It must be responded to with a full understanding of the facts and legal issues. The failure to properly respond can mean that the client is stuck owing the alleged tax — regardless of the merits of their case. So, we've highlighted some key issues — and pitfalls — for tax practitioners to be aware of when their clients receive a Nebraska Notice of Deficiency.

A Legally Valid Protest Must Be Filed

The first step in responding to a Notice of Deficiency occurs when the Petition for Redetermination (often just called the “Protest”) is filed. Nebraska law establishes that, once issued, a Notice of Deficiency must be protested in a set timeframe. This is generally 60 days but can vary based on the type of notice that has been issued. Failure to file the Protest in the statutory timeframe often means the client loses the opportunity to contest the notice.

The Department of Revenue has, by regulation, established certain legal requirements to constitute a valid Protest to a Notice of Deficiency. The failure to meet these requirements could mean that the Protest would be void, so the full tax would be due.



The failure to properly respond can mean that the client is stuck owing the alleged tax — regardless of the merits of their case. So, we've highlighted some key issues — and pitfalls — for tax practitioners to be aware of when their clients receive a Nebraska Notice of Deficiency.

What Happens After a Protest Is Filed

In the usual sales/use or income tax appeal, the case is assigned to a Department of Revenue attorney. Both parties need to further develop the facts and the legal grounds, and work towards possible settlement.

If the case cannot be resolved in this “informal” process, then either party may request that the case be set up for a formal hearing with a hearing officer appointed by the tax commissioner. The purpose of this hearing is two-fold. The first is to create the official “record” of the facts (in the form of documents and testimony). The second is for the hearing officer, after legal briefs have been filed, to reach a recommended decision for the tax commissioner.

If the hearing does not reach a decision in the taxpayer’s favor, the taxpayer can appeal the case to the Nebraska District Court. The District Court will schedule a hearing, which will be based on the evidentiary “record” of facts established at the department hearing. The district court will render a judgment (after legal briefs have been filed) based on the court’s own view of the proper result. From there, either party may appeal to the Court of Appeals or Supreme Court.

Successful Settlement Strategies

Successful settlements are not a matter of chance. You can’t expect the Department of Revenue to agree to a fair resolution, unless a strong defense is first presented that the department will recognize (as a matter of sound legal basis and litigation risk). So, while most of our cases settle, a number of steps must first be taken to lay in and position the proper legal and evidentiary groundwork for a successful settlement posture.

Beyond the Statutes

A winning tax defense position needs to recognize (and potentially defend against) a variety of overriding tax law principles that extend beyond the wording of the statute, regulation, or ruling. Legal “common law” doctrines, such as Substance Over Form, Step Transaction, Economic Substance, Sham Transaction, and Business Purpose, need to be understood (and planned for) at the time of the transaction and deployed or defended against in the Protest process.

Rules of the Game

Just as in any ongoing competition, the rules of the game must be known, understood, and deployed, when appropriate, to your advantage. These may include, for example, Rules of Evidence, Protection of Privileges, Burden of Persuasion, Rules

of Construction, Taxpayer Rights, Due Process, Assessment Standards, Equitable Recoupment, Nexus, and Burden of Proof.

Avoiding Unauthorized Practice

The unauthorized practice of law by non-lawyers is an issue being taken seriously by state bar associations nationwide, as well as applicable judicial officials. In Nebraska, non-lawyers cannot take any action in a Nebraska tax defense that requires “the knowledge, judgment, or skill of a lawyer.” (NDR Reg. 33-008 and Neb. Sup. Court Rule 3-1003.) Based on this rule, the Department of Revenue has published guidance that states it will not allow non-lawyers to represent clients in formal hearings.

This really hit home recently when we were asked by a multistate company (headquartered outside Nebraska) to review a lengthy letter (essentially a legal brief) that had been sent to the Department of Revenue with little positive effect. This “brief” had been prepared by a non-lawyer and was very official looking, being filled with more than 30-plus legal citations and a lot of legal discussion. The problem was that the non-lawyer had missed the critical issue and hadn’t marshalled the critical facts needed to make the case.

Just as in other professions, these rules are in place to protect persons from those who try to deploy professional expertise and insights they don’t have (or may not be aware of). So, we urge caution by non-lawyers and companies alike.

Summary

To reach a favorable resolution of a state tax matter, a state and local tax professional must first demonstrate the strength of the taxpayer’s factual and legal position and then move ahead with the speed, clarity, and attitude consistent with a belief in that position. This requires a careful understanding of the relevant facts and legal issues before the audit, during the audit, and on appeal. ◀

Nick Niemann and Matt Ottemann are partners with McGrath North Law Firm. As state and local tax and incentives attorneys, they collaborate with CPAs to help clients and companies evaluate and defend tax and incentive positions with the appropriate state or local agency, including the Department of Revenue. Their website is at www.NebraskaStateTax.com. For a copy of their full publication, “The Anatomy of Resolving State Tax Matters,” please visit their website or contact Niemann or Ottemann at (402) 341-3070 or at nniemann@mcgrathnorth.com or mottemann@mcgrathnorth.com, respectively.

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Return to lori@nescpa.org at the
Nebraska Society of CPAs

HOW YOU CAN MAKE A DIFFERENCE

As a committee member for the Nebraska Society of CPAs, you're provided an opportunity to truly influence a profession that touches the lives of nearly every Nebraskan. The results of your contributions are tangible and not only will help shape the future of the CPA profession, but also will provide you with great personal and professional satisfaction.

Committees meet two to three times per year. Society Chairman Ryan Burger will be appointing committees and committee leadership in March.

If you would like to help maximize the power and performance of CPAs in Nebraska, we encourage you to select from the volunteer opportunities on the left by checking the appropriate box(es).

All interested members are encouraged to apply!

COMMITTEE SERVICE VOLUNTEER FORM

Name: _____

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Firm/Company: _____

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Learn More! Society Committee Descriptions

ACCOUNTING CAREERS COMMITTEE

Works to introduce opportunities available in the accounting profession in Nebraska to high school and college students.

CONTINUING PROFESSIONAL EDUCATION (CPE) COMMITTEE

Helps plan the Society's yearly schedule of CPE courses, which enables Society members to further enhance their professional skills, better serve their clients, and improve the professional image of Nebraska CPAs.

ETHICS COMMITTEE

Investigates and disposes of ethics complaints within the Joint Ethics Enforcement Program (JEEP) timetable, monitors current developments in the area of professional ethics, and informs the Society membership of official changes in the AICPA Code of Ethics.

FALL CPE CONFERENCE PLANNING COMMITTEE

Plans and promotes the annual Fall CPE Conference held in late October and participates in the administration of that event, which is associated with the Society's Annual Meeting.

GOVERNMENTAL ACCOUNTING & AUDITING COMMITTEE

Plans the annual Nebraska Governmental Accounting & Auditing Conference held in June and promotes improvements in providing professional services and excellence in financial reporting for governmental entities in Nebraska.

INDUSTRY COMMITTEE

Plans the Business & Industry Conference held in late April, works to stimulate interest and participation in the Society by industry members, and fosters interaction between members in industry through educational and networking events such as the Husker CPAs Tailgate.



LEGISLATION COMMITTEE

Coordinates Society lobbying activities in connection with any proposed state or federal legislation related to the profession and evaluates such legislation for recommendations of action to be taken by the Society.

NOT-FOR-PROFIT COMMITTEE

Plans the annual Not-For-Profit Conference held in June, identifies and promotes educational opportunities for not-for-profit organizations and the practitioners who serve them, and disseminates relevant information regarding changes in accounting, auditing, reporting, and tax issues.

POLITICAL EDUCATION COMMITTEE

Works to protect, advance, and strengthen the free enterprise system, particularly the CPA profession, by collecting and distributing financial contributions to state legislative candidates for the Nebraska Unicameral to further those objectives.

TAXATION COMMITTEE

Assists, informs, and advises Society members and government authorities on federal, state, and local tax matters and attempts to enhance public awareness of the CPA's role in the field of taxation.

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CPA Membership

Cecelia Carson, RSM US LLP, Omaha

Hannah Goscha, Lutz, Omaha

Nathaniel Jones, Dutton & Associates PC, Omaha

Maggie Kothe, MK Bookkeeping Services LLC, Hastings

Colleen Leever, Lee Enterprises, Omaha

Shannon Meyer, Moore & Hawks PC, Seward

MaLaine Strobe, The Tri-County Bank, O'Neill

Exam-Qualified Affiliate Membership

Kaitlyn Franzen, NebraskaLand National Bank, North Platte

Mikayla Fredrickson, KPMG LLP, Omaha

Student Affiliate Membership

Madison Bartels, Emerson, Wayne State College

Kimberly Frey, Tilden, University of Nebraska-Lincoln

Jerimiah Marchington, Gering, Bellevue University

Jaden Zenor, Alton, Iowa, Wayne State College

Learn more about the Society and the benefits of membership at <https://nescpa.org>. ◀

SOCIETY & AICPA LEADERSHIP MEET VIRTUALLY

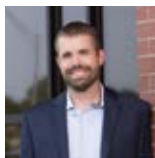
In mid-January, AICPA

Vice Chairman Bill Pirolli with DiSanto, Priest & Co. in Wakefield, RI, along with AICPA President & CEO Barry Melancon met virtually with Nebraska Society of CPAs Chairman Ryan Burger of Gabriel, Burger & Else, CPA, PC in Seward; Society Chairman-Elect Erica Parks of BKD LLC in Omaha; and Society President Joni Sundquist. Typically, the officers would meet in person during the annual AICPA & CPA/SEA Leadership Conference. The 2020 event, along with the welcome reception meet and greet, was split into three sessions and held virtually in 2020-2021 due to the pandemic. Pictured on the top row are Pirolli, Melancon, and Sundquist; pictured on the bottom row are Burger and Parks. ◀





Members in the News



Michael Arens has been promoted to partner at HBE LLC. He is a 2010 graduate of the University of Nebraska-Lincoln. Upon completion of his master's degree in 2011, he worked for a public accounting firm in Kearney before joining HBE in 2014. Arens currently leads the firm's

Agribusiness Industry Specialty Team. He also serves on the Parish Finance Committee for St. Michael's Catholic Church and is a member of Lincoln's Young Professionals Group.



George Behringer, a retired PwC partner, recently completed his 10-year appointment as the Honorary Consul General of Japan in Nebraska. The government of Japan recognized him for his outstanding contribution to the Japan-U.S. relationship. He received the Order of the Rising

Sun, Gold Rays with Neck Ribbon conferred to him by the Emperor of Japan. Behringer continues to be actively involved with the Omaha-Shizuoka, Japan Sister City relationship.



Jesse Brickner has been promoted to manager at Hancock & Dana PC. Brickner graduated from the University of Nebraska at Omaha and joined the firm in 2014.



Grant Buckley has joined the 15-member board of directors of the Community Action Partnership of Lancaster and Saunders counties. Community Action empowers people living in poverty to reach economic stability through 17 unique programs in the areas of early childhood education,

homelessness prevention, financial and family well-being, and hunger relief and healthy food access. Buckley is with Buckley & Sitzman CPAs in Lincoln.

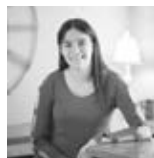


Jessica Dailey has been promoted to shareholder at the Kearney accounting firm KSO CPAs PC. An Atkinson native and Lexington resident, Dailey received a Master of Professional Accountancy from the University of Nebraska-Lincoln and joined the firm in 2010. KSO CPAs PC has been

serving south-central Nebraska for nearly 50 years.



Mikaela Davis has been promoted to director at HBE LLC. Davis is a 2009 graduate of Buena Vista University. She currently serves as treasurer of the Brain Injury Alliance of Nebraska.



Heather Earnest has become a shareholder in Schroeder & Schreiner PC. Earnest graduated *cum laude* in 2013 with bachelor's degrees in both professional accounting and economics from Hastings College. She is a member of the Professional Development Committee of the

Young Professionals Organization of the Grand Island Chamber of Commerce.



Ronald "Ron" Ecklund has retired from his career in public accounting after more than four decades of service to HBE LLP. As one of the firm's original partners, representing the "E" in HBE, Ecklund was instrumental to the growth and success of the firm over the years. A 1972

graduate of the University of Nebraska-Lincoln, Ecklund joined the firm in 1974 and served as partner from 1985 through 2010.



Jeffrey "Jeff" Faltys has been promoted to manager at Hancock & Dana PC. Faltys is a graduate of Wayne State College.



Jerry Hellman of Hellman, Main, Coslor & Kathol PC and his wife Tami were among the major donors to the Buffalo County Community Partners' Kearney Area Thanksgiving Meal fundraiser, which raised more than \$20,000 and provided 2,750 Thanksgiving meals for area hospital workers, first responders, and neighbors in need.



Colby Jensen was honored with a 2020 Midlands Business Journal 40 Under 40 Award, the 19th edition of the prestigious awards program for Omaha's entrepreneurs, executives, and professionals. Jensen has been with BKD for more than seven years and earned her bachelor's degree

from the University of Nebraska at Omaha. She is on the Junior League of Omaha Board of Directors, has served as a mentor for the UNO College of Business Scholars Academy, sits on the BKD Nebraska Foundation Board, participates in Boy Scouts of America events, and volunteers for various other community organizations.



Brian Klintworth has been promoted to tax director at HBE LLC. Klintworth is a 2015 graduate of the University of Nebraska-Lincoln and a 2019 graduate of the University of Denver. He joined HBE as an intern in 2015. He serves as chairman

of the Nebraska Society of CPAs' CPE Committee, is a TeamMates mentor, and is a member of Lincoln's Young Professionals Group.



Maggie L. Kothe was recognized by the AICPA last year as a 2019 Elijah Watt Sells Award winner. Nearly 75,000 individuals sat for the CPA Exam in 2019 with only 137 candidates meeting the criteria to receive this award, named in honor of one of the country's first CPAs. Each year, the AICPA bestows its Elijah Watt Sells Award upon high-performing candidates who obtain a cumulative average score above 95.50 across all four sections of the Uniform CPA Examination and pass all four sections on their first attempt. Awards are presented in the calendar year following the year in which testing is completed. Kothe graduated from Kansas State University with a Bachelor of Science in Business Administration and a Master of Accountancy. She is self-employed with MK Bookkeeping Services LLC in Hastings.



Michael "Mike" Kottwitz has been promoted to director at HBE LLC. Kottwitz graduated *magna cum laude* from Doane University in 2012.



Mark Manning has been appointed to the Nebraska Board of Public Accountancy by Gov. Pete Ricketts. He will serve as an active permit holder from Congressional District 1 from 2020-2024, replacing Michael McClure. Manning is president of Manning & Associates created in

1988 with locations in Crete and Geneva. He has served on the Nebraska Society of CPAs Board of Directors and currently serves as president of the Foundation of the Nebraska Society of CPAs. He also served for many years as a volunteer reviewer for the State Board's Quality Enhancement Program and currently serves on the State Board's Peer Review Committee. He is a graduate of the University of Nebraska.



Michael "Mike" Mason has joined Frankel Zacharia LLC as a tax manager. Mason is a graduate of the University of Nebraska at Omaha, where he earned his Bachelor of Science in accounting.



Christi Olsen has been appointed to the Nebraska Board of Public Accountancy by Gov. Pete Ricketts. She will serve as an active permit holder from Congressional District 2 from 2020-2024, replacing Michele Stomp. A graduate of the University of Nebraska at Omaha, Olsen is a member of Circle

CPA LLC and has been practicing public accounting since 1989. She recently served on the Nebraska Society of CPAs Board of Directors and is a past chairman of the Foundation of the Accounting and Financial Women's Alliance (AFWA).



Scott Scheef has been promoted to partner at HBE LLP. Scheef is a 2007 graduate of Hastings College. He joined HBE in 2011 and currently leads the firm's Construction Industry and State and Local Tax (SALT) Specialty Teams. Scheef is a past treasurer of the Associated Builders

and Contractors - Cornhusker Chapter, the current treasurer for SMILE-Center, and a board member for the Construction Accounting Network.



Anthony "Tony" Storer has been promoted to director at HBE LLC. Storer has more than 25 years of enterprise resource planning (ERP) software experience, spanning multiple platforms and industries.



Daniel "Dan" Torczon has been promoted to partner at Hancock & Dana PC. Torczon has more than 14 years of experience and joined the firm in 2016.



Brock Wyatt has been elected to the Aurora School Board, serving as secretary of the board. Wyatt is an Aurora native, graduating in 2002. He is presently the CFO at Hamilton Telecommunications in Aurora.



Mika Yonamine has joined BerganKDV as a tax manager. Yonamine earned her bachelor's and master's degrees in accounting from the University of Nebraska at Omaha. She is a mentor in the TeamMates program and a board member of the Santa Monica House. BerganKDV has eight offices in four states.

Firms in the News

HBE LLP has announced a merger with **Marvin E. Jewell & Co. PC (MEJ)** effective January 1. Founded in 1963, MEJ has served individuals and businesses for nearly 60 years. **Carmen Standley**, owner of MEJ, has joined HBE as a partner with the firm. She and the former MEJ team members will continue serving clients from their existing office at 8215 Northwoods Drive, Suite 300, in Lincoln. HBE operates from multiple office locations in Lincoln, Norfolk, and Omaha.

Lutz celebrated its 40th anniversary in 2020. Founded in 1980, the firm now has a 275-plus person team with offices in Omaha, Lincoln, Hastings, and Grand Island.

Masimore Magnuson & Associates PC of Omaha has donated \$1,040 to Goodfellows, the Omaha World-Herald charity that helps people who fall through the gaps in the social safety net. Each year, the firm conducts an internal fund drive and selects a charity to receive the dollars raised by the firm's 20 employees. The firm has been serving the Omaha area since 1974.

SP Group PC of Lincoln formed a seven-person "SP Cares Team" in 2020, assisting more than 350 businesses in applying for and receiving COVID-related financial assistance by the end of the year. ◀





in Memoriam

RANDALL G. MIERAU

1946-2020

A \$100 donation has been made to
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of Certified Public Accountants
in memory of Randy.

Nebraska Certificate #1403
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RICHARD J. NEWTON

1952-2020

A \$100 donation has been made to
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of Certified Public Accountants
in memory of Rich.

Nebraska Certificate #3230
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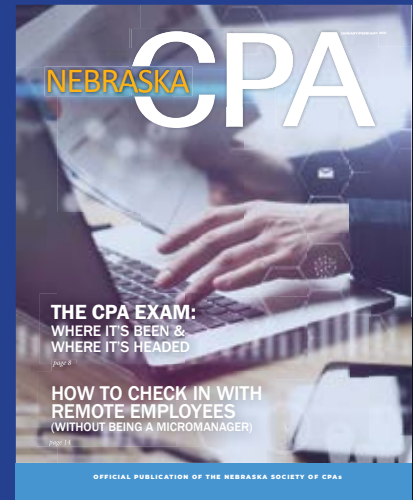
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First Nebraska Trust
2020

CELEBRATING 25th YEAR MILESTONE

First Nebraska Trust Company is thankful and honored to serve our clients and professional friends across Nebraska for 25 Years from offices in Lincoln and Omaha! First Nebraska Trust Company is a locally owned, independent trust company. On December 1, 1995, the Company received its charter from the Nebraska Department of Banking to open its first location in Lincoln, Nebraska. The Company initially consisted of four highly experienced trust professionals who believed trustee services should be delivered with a highly personalized service to the client in a way that was second to none. C. John Guenzel was the Founder of First Nebraska Trust Company and served as the President of the Company and Board of Directors from 1995 to 2018.

We continue to honor Mr. Guenzel and our commitment to the community by providing personal and customized trust administration, estate settlement services with premier investment management services, uniquely qualified to provide outrageously excellent service to its clients. The primary areas of service include personal trusts, estate settlement, charitable trusts, investment management, and IRAs. The company is committed to building long term mutually beneficial relationships with clients and partner with professionals in the community.

Our Team is here for YOU:

President & Trust Officer: Robin Smith

Trust Officers: Jaime Hemmerling, VP & Trust Officer, Brandi Novosad, VP & Trust Officer, Renae McCarthy VP & Trust Officer, Jeff Arnold VP & Trust Officer, Scott Berryman, Trust Officer, Brian Wachman, Trust Officer and Luke Paladino, Trust Officer.

Investment Team: Scott Wendt (Chief Investment Officer), Chad Reeson, Investment Officer; Sean Finneran, Investment Officer; and Kevin Slattery, Analyst.

Internal Legal Counsel: M. Douglas Deitchler

Trust Administrators: Trish Schultz, Valerie Rouch, Liz Reynolds, Lin Briley and Ryan Schmidt.

Operations Team: Krystal Rung, Sr. Operations Specialist and Karen Miller, Operations Specialist.

Board of Directors: Kent Seacrest, Linda Robinson Rutz, Steve Spady, Tom Grafton and CJ Guenzel.

Thank you Nebraska, our clients and the professionals we are blessed to work with. For more information about First Nebraska Trust Company and our team members visit www.firstnebtrust.com or call 402-477-2200.



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