

THE BOTTOM LINE

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CPAs In The Arts

THE BOTTOM LINE

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your
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When I assumed the presidency of the Society in June, I told the members present at our annual business meeting that one of my major goals for the year was to assist the membership in understanding and dealing with the provisions of the Plan to Restructure Professional Standards.

It has now been almost two-and-one-half years, since January 1988, when the membership of the AICPA voted so overwhelming in support of the Plan to Restructure. Closer to home, in July 1989, you voted (in equally impressive numbers) to adopt the same standards as the AICPA as conditions for membership in the Society.

As we watched events develop, we knew the Society would play a major role in helping our members understand and adapt to the changes. In the past few weeks I have visited with members of the Louisville Area, Southeast, Green River and West Kentucky Chapters. What I learned was 1) we have gotten the word out to the membership just how the Plan to Restructure will ultimately affect them, and 2) we still have a lot more to do in dealing with the transition period that we are currently faced with.

Just coping with all of the CPE requirements is proving to be a major undertaking. The AICPA and the Society now have CPE requirements for membership. While the AICPA and Society's new requirements are phased in over three years, we have supported new legislation that amends the CPE requirements under the accounting

level beginning with calendar year 1991. Fortunately, partially in response to our request that it do so, the State Board of Accountancy adjusted its CPE year-end from June 30 to December 31 so that the reporting years for the state will be the same as for the AICPA and the Kentucky Society.

However, the State Board has decided to begin renewing licenses to practice on a biennial basis, beginning July 1, 1991. Thus you will report to the state every two years after the first year of change. Although these reporting requirements may be confusing at the moment, it should all smooth out once we get past the next year or so.

However, the amount of CPE you need under these new requirements may be a more complex issue since the amount of CPE you must earn for membership in the AICPA and/or the Society (and for the statutory requirement) varies depending upon whether or not you are "in practice." At this time, the AICPA and the Society are developing guidelines to enable members to determine whether or not they are considered "in practice" for the purpose of determining their CPE requirement. Meanwhile, the State Board of Accountancy has indicated it will adopt a very narrow method of determining CPE requirements for licensees. Basically, if you perform any of the public accounting services listed in the accountancy statutes under the definition of public accounting, then you are "in practice," and you are required to comply



with the higher CPE requirement of 80 hours every two years.

The good news is that we have some time to advise you how best to cope with these CPE requirements. The State Board has held that the move to the advanced CPE requirements will become effective in the calendar year beginning January 1, 1991. As an interim requirement, all Kentucky CPAs seeking to renew their certificate and license to practice on July 1, 1991 will only be required to show that they earned 20 hours of CPE credit during the entire calendar year 1990, including any CPE that may have been previously reported to the State Board during the period January through June 1990.

I assure you that appropriate committees within the Society will continue to monitor developments as they occur and we will provide you, through this newsletter and other means, with the information you need to understand and deal with the new CPE requirements. ☘

Issues in governmental accounting

Kentucky increases reporting requirements for local government — CPAs can provide assistance

by Scott L. Clay, CPA
Member, Governmental Accounting
Committee

House Bill 145 enacted by the 1990 Kentucky General Assembly imposes significant additional reporting responsibilities on local governments. Beginning with the fiscal year ending June 30, 1991, each city, county and special district as defined in the act must annually complete a uniform financial information report and submit it to the Department of Local Government by the following February 1.

Any local government that fails to submit the report will become ineligible to receive county or municipal road aid funds.

Because the legislation specifically provides that local governments may have the uniform financial information report completed by its auditors, House Bill 145 provides an opportunity to provide additional services on governmental engagements. However, auditors should be aware that problems are likely to be encountered initially in completing the report. Although the content and format of

the report have not yet been finalized, the information to be provided is substantial and many local governments may not presently accumulate the information in a manner that allows it to be retrieved easily. Accordingly, it is recommended that auditors clearly identify in an engagement letter the specific nature and terms of the services to be performed, including fee arrangements and the responsibilities of each of the parties. ☘

Louisville's CPAs are assets in the arts

by Daniel J. Recktenwald

Editor's note: The author is a senior majoring in English at the University of Louisville. He is an intern in the Society's Public Relations Department this semester.

Twelve thousand years ago in a cave in southern France, an artist strained his eyes in the unsteady light of a smoking torch. Peering at the wall before him, he motioned his one assistant to hold the torch closer. Then finding where his last line ended, the artist raised a thin, hollow reed to his mouth and blew a steady line of moist, black pigment onto the wall.

Suddenly the torch went out. Both men groaned, then began to grope back up the length of the cave to the surface.

The artist was worried. At that rate, it would take another week to finish this one antelope — another week before the hunters could dance in, their spears on fire, and strike the effigy, insuring a good hunt and another year's prosperity for the tribe.

The relationship between art and economics has always been just that intimate. For like all art, the paintings in the Lascaux caves are not just proof of the richness of their stone age parent culture, they are evidence of the *material* wealth of

the community that produced them. For each artist creating in the darkness of the cave, there was an entire tribe in the glare of the sun doing the artist's share of the work of survival. And somewhere there must have been a chieftan or chieftaness, watching the resources of the community, making sure it could spare time, material and people for art.

In short, the first arts program probably had its own CPA.

The wisdom of having a Certified Public Accountant in the tribe is not new to the J.B. Speed Art Museum, where *David Knopf*, CPA, has been business manager since 1984. After his 1977 graduation from the University of Louisville, Knopf used his accounting skills as a branch manager at Liberty National Bank. He then went on to public accounting in both a regional and international firm before bringing his diverse experience to the Speed. Knopf produces internal and external financial statements for the Museum, and oversees the construction of long-term financial plans, just for starters.

"The creation of a vital management team has done more to help us plan for the future than anything else," Knopf explained. His office is in a wing of the Speed most patrons never see, but the bustle of orderly activity

outside his door seemed proof of his contribution.

"When I first came to the Museum, I helped re-organize it into our fifteen present departments and brought our planning and records-keeping into accordance with Generally Accepted Accounting Principles." Knopf then took the Speed computer-shopping: "Finding the right computers and exploiting the best available software were invaluable." And so was Knopf's experience, as the Museum's computer needs expanded.

Picturing him at the Speed's board meetings, where he advises Museum Director Peter Morrin, I asked Knopf if he felt non-profit accounting were enough of a challenge for one with his business experience. "Oh, absolutely," he replied. "The bottom line is just as hard in the arts, if not more so. Non-profit accounting in general is growing, and growing in appeal. Of the professional staff I knew at the regional firm [Geary, Ballbach & Hardt], only five would list public accounting their primary occupation today. The skills accountants have to offer are finding a very broad market.

"The personal satisfaction of working in the arts is very alluring also," Knopf continued. "I doubt any accountant has a more beautifully decorated place of business. And from the guard at the back door to the chairman of the board — super, dedicated people."

David Knopf seems to have found home base at the Speed Museum, and he sees Louisville as a powerful base for the arts. "Louisville has a lot to give, and her people are very supportive — when they're *aware* of what's there . . ."

Making sure Louisville *is* aware is what the Progressive Arts program is all about. Progressive Arts is a support program of the Speed Museum staffed by museum members who volunteer their time for special events and community outreach. Progressive Arts functions are designed to attract new members and simply to celebrate the Speed.

Helping to make it all work is *Greg Cecil*, CPA. A 1981 University of Kentucky graduate, Cecil worked at an Atlanta bank before

David Knopf, business manager of the J.B. Speed Art Museum



of successful events, and Greg Cecil as a member of the board. And Cecil's work for Progressive Arts is not restricted to preparing financial statements. He has helped create their special events from the preliminary budget down to the last detail.

These events have been everything from polo matches (the fourth annual Progressive Arts Challenge Cup was awarded in July) to

lectures, from Jazz and Jeans Parties (with entertainment provided by the likes of Everett Hoffman and Jimmy Rainey) to cocktail party viewings of new exhibits.

Cecil retold one evening's activity with particular relish. "We held our 1989 'Murder & Mystery Among the Masterpieces' party on Friday, October 13. After cocktails and hors d'oeuvres, a local actress staged a

surprise death. A Progressive Arts volunteer gave out instructions, and teams of five or six formed."

What followed was a giant game of Clue, with the various galleries of the Speed serving as the playing board. The clues revealing the villain and murder weapon were hidden in various works of art. "It gave everyone a great tour of the building, and a terrific way of getting acquainted," Cecil recalled happily.

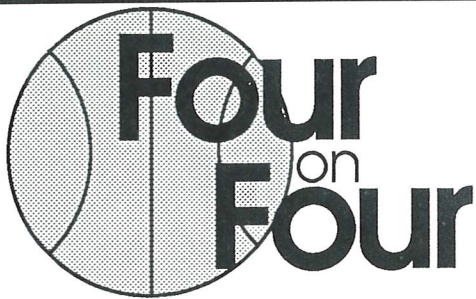
Admission to most PA events is comparable to a movie for two (with discounts for members) and all are held within the Speed amidst the art. Except for the polo, of course, although if there were any way to play polo in the Museum, I'm sure Progressive Arts would have done it. They shouldn't have any trouble fitting their December 14th Christmas party in the Speed, but that depends on how wild the dancing gets. (There will be live music and a small cover charge — call the Museum for details).

"It's been a real pleasure watching PA grow, and awareness of the Speed grow along with it," Cecil beamed. Progressive Arts has drawn on attorneys, designers, advertisers, homemakers and other businesspeople for its membership. This diversity may account for Progressive Arts' dynamic enthusiasm and creativity, faculties which Greg Cecil has in ample supply: just check his livingroom wall.

"I've displayed a three-canvas series I made with a leaf-blower. I got the idea from a French artist who used the jet trail of a Learjet to blast paint onto canvas. It looked neat, so I tried it." A playfully proud smile started across the accountant's face. "People who've seen it don't believe I did it." Cecil's personal collection also includes a Warhol-esque collage of Xeroxes made in his office. (His personal commitment to the arts has also led Cecil to volunteer his services as an usher at Actor's Theater).

Whether as volunteers in the aisles or as professional administrators behind the scenes, Louisville's CPAs are finding many opportunities to serve their community through the arts. *David Knopf* and *Greg Cecil* are two good examples at the Speed Museum. But the arts involvement of Certified Public Accountants is so extensive, it's practically impossible to partake of the arts in Louisville without benefiting from their contribution. So when counting her cultural wealth, Louisville shouldn't forget to add her CPAs.

(For more information on how you can become involved with the Progressive Arts Program at the Speed Museum, contact Teresa Buchheit at (502) 582-1601). ☞



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QR news

1990 year-end update

As we move into the final months of the 1990 review year, the Kentucky Society's administration of the AICPA Quality Review Program is just about complete. Between 60-65 on-site reviews have been coordinated by the Kentucky Society and most of the reviews are scheduled for the last quarter of 1990.

Statistics show that 45 firms elected to have a firm-on-firm review, 14 firms chose to have a Committee Appointed Review Team, while four firms have not yet scheduled their review. One to three month extensions for 1990 reviews were granted for a variety of reasons, however, only three extensions were granted into the 1991 review year due to extenuating circumstances. Some reasons for one to three month extensions were team captain time conflict, Society unable to schedule, major audit engagement not complete, and partner illness.

Many of you called the Society office staff with various QR questions. We hope we clarified your concerns and questions and we thank you for your patience. This program is still new and there are changes made to the program regularly in the hope that we can ease some of the confusion. In addition, in the past few months we traveled around the state with our "A to Z: The Basics of Quality Review" program. The programs were successful in reaching firms to explain how the review process works.

The Quality Review Committee held its first Report Acceptance meeting for the 1990 review year on August 24. Our next meeting is scheduled for November 8 & 9, with future meetings scheduled quarterly. At these meetings, final technical reviews are conducted on reviews that have undergone all field work. This is the last step in the review process, and once the Quality Review Committee agrees with the report issued by the team captain, a Report Acceptance Body (RAB) letter is sent. This letter indicates the committee's agreement with the report issued, and explains any

for higher professional standards. For instance, some firms that received a modified opinion will be asked by the Quality Review Committee to obtain more CPE hours in accounting and auditing, and to begin performing internal inspections in the years the firm is not reviewed. These are just two ways a firm can educate its staff and monitor its progress while working toward an unqualified opinion the next time it's reviewed.

This year, most firms that received an unqualified opinion were issued a letter of comment. At the exit conference, the letter of comment is presented as a written representation of areas the firm needs to improve. Most firms found the review process and the letter of comment to be both beneficial and educational. During the review, partners learned many things about their firm's operation and now are working on new ways to strive for excellence. For instance, as the result of the review process, one firm made the decision to pursue more audit work. The firm came to this decision by considering how much more cost effective it would be for the firm to take on additional audit work. After all, the partners of the firm paid to have a quality review, received an unqualified opinion, and since they were doing a good job anyway, why not create a market niche and go after some specific audit work.

Now that the 1990 review year is coming

“

During the review, partners learned many things about their firm's operation and now are working on new ways to strive for excellence.”

to a close, and 1991 is on the horizon, the Society is looking ahead. Next year, the volume of reviews will more than double to 145 reviews. We believe the dramatic increase in the number of reviews in 1991 is

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because many firms must comply with the "Yellow Book" standards and, therefore, had to accelerate their review due date. The "Yellow Book" requires firms that do governmental accounting to undergo a quality review before January 1, 1992. The

Society is gearing up for the task. We expect the scheduling and administration of the reviews to go as smoothly next year and encourage you to call Linda Ritter at the Society office if you have any questions or concerns. ☞

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Corrections to listing of co-op internship programs

In our last issue, we published a listing of Kentucky colleges and universities offering internship programs for accounting students. Some of the information contained in the list was in error. What follows is a correct listing for some schools listed.

Thomas More College
Contact: Dale Myers
606-344-3405

Types of programs available:

Coop, Public, Industry, government, CIS,
Other

Coop. Coord., Thomas More College,
Crestview Hills, KY 41017

Transylvania University
Contact: Annette Mayer
606-233-8193

Types of programs available: Internship,
Public, Industry, Government

Career Planning & Placement
Transylvania University Center
Lexington, KY 40508 ☞

Out-of-State tax form service

Caught without that out-of-state tax form and faced with an approaching deadline? Call the Kentucky Society office to get a copy of any state's individual or corporate tax form. **The cost is only \$5.50 per page (\$3.00 minimum order)** and you won't be billed until after tax season. You may also ask us to FAX your forms at a cost of \$1.50 per page.

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Federal tax note

The ACE adjustment: a new twist on the Corporate Alternative Minimum Tax

by Jeffrey T. Ebelbar, CPA
Member, Federal Taxation Committee

Just when we accountants were getting comfortable with the Corporate Alternative Minimum Tax (AMT), a new AMT adjustment comes into play to complicate tax planning and preparation for 1990. Effective for tax years beginning after December 31, 1989, the adjusted current earnings (ACE) adjustment replaces the book income adjustment (BIA).

While both adjustments were intended to ensure that corporations with substantial economic income pay some federal income taxes, the ACE adjustment was developed as a political compromise to replace the BIA in order to satisfy protests regarding the use of financial accounting principles to determine tax liability.

The ACE adjustment is based on the more traditional earnings and profits (E & P) concept. However, Congress felt that E & P was not sufficiently comprehensive nor was it sufficiently defined. In order to modify E & P to remedy those deficiencies, adjusted current earnings was defined in the Statute as a corporation's preliminary alternative minimum taxable income (AMTI) adjusted for certain items provided under Code Section 56(g)(4).

In determining adjusted current earnings, the following Code Section 56(g)(4) adjustments need to be considered:

- (1) Depreciation. A separate ACE depreciation schedule is now needed to apply specific computation rules (see Code Section 56(g)(4)(A)), depending upon the date placed in service. Thus, assets will have a different tax basis for regular

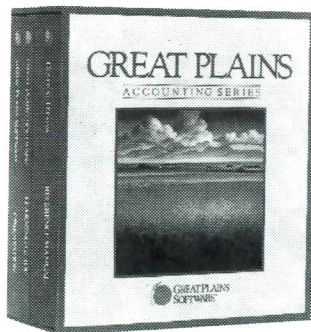
tax, AMT, and ACE purposes. Separate computations of gain or loss will have to be made when an asset is sold.

- (2) Other Earnings and Profits Adjustments. For ACE purposes, an item must be included in ACE if it is income for earnings and profits purposes but not for AMTI. In addition, the amount that is included in ACE may be reduced by any deduction that would have been allowed in computing AMTI, if the gross income had been included in AMTI.

For example, all tax-exempt interest on state and local bonds must be included in ACE, not just the interest on specified private-activity bonds. However, all expenses, including interest, allocable to the generation of this tax-exempt income are deductible for ACE purposes.

The inside build-up in life insurance contracts is also included in ACE, as is the inside build-up of any annuity policy. The expenses incurred for

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payment of premiums related to either a life insurance contract or an annuity contract are allowed as deductions in arriving at ACE.

An item that is deductible for AMTI

purposes but not for purposes of E & P is also deductible for ACE purposes. For example, the dividends-received deduction generally does not reduce E & P and thus is not allowed for ACE.

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However, Code Section 56(g)(C)(ii) does provide special rules for certain dividends.


- (3) Certain Other Earnings and Profits Adjustments. Other adjustments which may be needed include:
 - a) Intangible drilling cost
 - b) Circulation and organizational expenses
 - c) LIFO inventory
 - d) Installment sales
- (4) Loss on exchange of debt pools is generally not allowed for ACE.
- (5) Acquisition expenses of life insurance companies must be capitalized and amortized in accordance with GAAP.
- (6) Depletion. Only cost depletion will be allowed.
- (7) Certain ownership changes of corporations having a net unrealized built-in loss will result in the adjustment of the basis of each asset for ACE purposes.

Once adjusted current earnings has been determined, the AMT ACE adjustment can then be computed by taking the difference between the adjusted current earnings and preliminary AMTI times 75 percent. The result is then added to or subtracted from preliminary AMTI.

Obviously, with all its adjustments, ACE will increase the complexity of tax planning and compliance. In addition, many of the traditional tax planning ideas will need to be rethought.

Some tax planning ideas which might be considered to eliminate the potential for ACE adjustments include:

- (1) Schedule the purchase of depreciable assets to get maximum benefit of depreciation timing difference turn-arounds.
- (2) Factor the ACE adjustment into lease/purchase decisions.
- (3) Form a separate leasing company (i.e. Partnership, S-Corp., etc.) to acquire those assets which create AMT problems.
- (4) Remove life insurance or annuity contracts from C-Corporations.
- (5) Project AMT for several years at a time to identify turn around of timing differences.
- (6) Do year end tax planning projections as early as possible, in order to provide sufficient reaction time.

As the 1990 tax filing season is rapidly approaching, steps need to be taken now to be prepared to make the necessary computations. In addition, those corporations that will be affected need to be identified and appropriate steps taken to minimize the alternative tax impact of the ACE adjustment for 1990. 

Kentucky tax note

Individual tax withholdings and estimated tax payments

by Steve Schulz, CPA
State and Local Taxation Committee

By now all Kentucky taxpayers are painfully aware of the fundamental changes made to the individual income tax structure of this state. Early this year, Kentucky lawmakers at the 1990 session of the General Assembly enacted sweeping reform to this state's tax structure. One change included in this reform effecting virtually every Kentucky taxpayer is the loss of the federal tax deduction in computing taxable income. This rule change like all the others accompanying it apply retroactively to January 1, 1990. Consequently, it had immediate impact on the amount of estimated taxes being paid toward eventual 1990 individual income tax liabilities.

The state taxes withheld from paychecks of employees through April, 1990 were based on withholding tables that included the benefit of the federal tax deduction. To compensate for this inequity, the Kentucky Revenue Cabinet circulated new withholding tables designed to, in effect, pay 12 months of tax over an eight month period. This was accomplished by requiring employers to use the new tables for payrolls after April 30, 1990 through December 31, 1990.

The new tables did two things. First, they adjusted withholdings by eliminating the benefit of the federal tax deduction. Second, the new withholding amounts were increased to compensate for four months of withholding based on superseded law.

The impact of this single provision of the tax reform package was felt across the board by Kentucky taxpayers when paychecks were distributed in May, 1990. These net paychecks were generally reduced due to higher Kentucky state withholding mandated by the new tables.

A new set of withholding tables will be available for wages paid after December 31, 1990. This table will reflect only the loss of the federal tax deduction; therefore, withholding amounts will be less than

compared to the current tables which are structured to withhold at even higher rates.

Kentucky taxpayers who pay state taxes through quarterly installments may have had, in some cases, already paid the first installment due April 16, 1990 before reacting to the new law changes. These individuals will have to project the increase

in 1990 state taxes resulting from loss of the federal tax deduction and make up this amount by raising the remaining quarterly estimate payments.

In some cases employers may have delayed implementation of the revised withholding tables. Furthermore, other taxpayers may have failed to increase their

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The rules for making estimated tax payments have been amended . . .”

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quarterly estimate installments despite the near certainty their 1990 tax liabilities will increase under the new law. Even if Kentucky taxpayers have failed to increase their withholding or estimated tax payments, they can avoid underpayment penalties if they have paid in 1990 at least 100 percent of the total tax shown on their 1989 return. That exception to the underpayment penalty remains intact. Additionally, the Revenue Cabinet has represented that prepayment of at least 70 percent of the Kentucky tax liability will remain as another safe harbor in this area despite a higher 90 percent requirement found at the federal level.

In the past, the federal government has abated underpayment penalties where the underpayment can be attributed to new rules first effective for the year of underpayment. There may well be widespread underpayment in 1990 by Kentucky taxpayers because of the changes made to the state's tax structure. Whether the

revenue cabinet will recognize the correlation between underpayment and loss of deduction from the new rules by abating penalties is not yet clear. Kentucky taxpayers would be well advised to review their tax situations before the end of the year. This will permit adjustment, if any, to the credits needed against 1990 tax in order to fall under one of the safe harbors surviving the adoption by the state of the Internal Revenue Code as of December 31, 1989.

The rules for making estimated tax payments have been amended from prior law. Declaration of estimated tax is required by an individual if gross income from sources other than wages already subject to Kentucky tax withholding exceeds \$5,000, and adjusted gross income can reasonably be expected to be large enough to require filing of a return. All other provisions effective under prior law with respect to estimated tax payments by individuals continue in effect after the law changes made earlier this year. ☞

Kentucky Tax Highlights brochure now available

The State and Local Taxation Committee has developed a brochure highlighting the changes in Kentucky Individual Income Taxes for 1990. This brochure should be a valuable tool in notifying your clients of the impact of these changes. This brochure will contain: What's new for 1990, Impact of 12/31/90 Code on Income and Deductions and the differences in Kentucky and Federal Taxable Income.

The cost of the 1990 *Kentucky Tax Highlights* brochure is .20 each with a minimum order of 50 copies. To order, call Carolyn Bowen at the Society office. ☞

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Congratulations new CPAs

Forty-four new CPAs sworn in at Fall Awards Banquet

The Society's Fall Awards Banquet was held on September 21, 1990 at the Hyatt Regency Hotel in Louisville. At the ceremony, Attorney General Fred Cowan administered the oath of a Kentucky CPA to 44 new CPAs and awards were presented to 17 individuals for outstanding achievement on the May 1990 CPA Examination.

Honorable Mention Awards

Candidates who passed all parts of the May 1990 CPA Examination on the first attempt:

L. Kevin Bair
John R. Clements
Earl Francis Croushorn II
Ginger L. Eade
Jon A. Jones
Renee M. Lopez
Edward P. Millay
Chris R. Nichols
Aubrey D. Rich
Joan Mitchell Smith
Stephen A. Stovall
Richard B. Sweeney
Pamela S. Terwilliger
Robert C. Waddell
Michael C. Wiedeman
Robert L. Wuerth

Kentucky Society Award

Pamela S. Terwilliger

Candidates who received certificates

Robert Kevin Adams
University of Louisville
Kentucky State Fair Board
Louisville
John Patrick Anderson
Transylvania University
Ernst & Young
Lexington
Marsha A. Beecham
University of Louisville
Internal Revenue Service
Louisville
Lara A. Brumitt
Murray State University
Baird, Kurtz & Dobson
Bowling Green
Michelle D. Carroll
Morehead State University
Smith, Goolsby, Artis & Reams, PSC
Ashland
Beverly S. Chandler
Transylvania University
Ernst & Young
Lexington

Beatrice M. Cockrell
University of Louisville
First Kentucky Trust Co.
Louisville
Karen S. Curnutte
University of Kentucky
Summers & McCrary, PSC
Lexington
Christopher Paul Davis
Bellarmine College
St. Joseph's Hospital
Tampa, Florida
Karen E. Davis
Valparaiso University
Kauffmann Amshoff Zoeller, CPAs
Louisville
Elizabeth Nell Dorris
University of Kentucky
Ernst & Young
Louisville
Thomas Fiepke
Texas Christian University
Ernst & Young
Louisville
James L. Frazure, Jr.
University of Louisville
Kapp & Company
Louisville
Diana Sue Greer
Cumberland College
D.G. Trucking & Equipment Sales, Inc.
Lily
Marsha D. Harrington
Bellarmine College
Ernst & Young
Louisville
Susan A. Higdon
University of Louisville
Internal Revenue Service
Louisville
Karen A. Hinton
Western Kentucky University
Baird, Kurtz & Dobson
Bowling Green
Dawn Charlene W. Jacobs
Morehead State University
Auditor of Public Accounts
Frankfort
Christopher L. Jay
Transylvania University
Ernst & Young
Lexington
Linda C. Jordan
Morehead State University
Smith, Goolsby, Artis & Reams, PSC
Ashland
Kimberly A. Libbert
University of Evansville
Ernst & Young
Louisville
Ann M. Lovell
University of Kentucky
Ernst & Young
Lexington

Cheryl Calhoun Lutz
Murray State University
Baird, Kurtz & Dobson
Bowling Green
Bridgette Denise Creech Marston
University of Kentucky
Dean, Dorton & Ford, PSC
Lexington
Brian Keith McDonald
University of Kentucky
Deloitte & Touche
Louisville
Charles T. McElroy
University of Kentucky
York, Neel & Co.
Owensboro
Marla S. McElroy
University of Kentucky
York, Neel & Co.
Owensboro
Charles Raymond Murphy
Transylvania University
Kentucky Revenue Cabinet
Lexington
Anthony W. Murr
University of Louisville
Coopers & Lybrand
Louisville
Christian D. O'Bryan
University of Louisville
Tichenor & Eiche
Louisville

Danny Lynn Parker
Eastern Kentucky University
Dana C. Overall, CPA
Berea
Natalie Ann Powell
Northern Kentucky University
Ronald C. Taylor, CPA
Ft. Thomas
Andrew B. Raines
Marshall University
Deloitte & Touche
Louisville
Shana M. Riggs
Bellarmine College
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Coopers & Lybrand
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Monica Lynn Smith
University of Louisville
Internal Revenue Service
Louisville
E. Joseph Steier III
Bellarmine College
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Louisville



Terwilliger receives Society Award

Pamela S. Terwilliger received the Society's award for the highest score on the May 1990 CPA exam. Jim Sparrow, president-elect of the Kentucky Society gave Pam her award at the Fall Awards Banquet at the Hyatt Regency on September 21.

Pam lives in Louisville and was recently employed as an accountant at Eastern Livestock Company. She graduated in 1985 with a BBA in accounting at Eastern Kentucky University.

She is shown here receiving congratulations from Society President Olivia F. Kirtley.

Shellie K. Utley
University of Evansville
Bruce and Company
Madisonville
David C. White
University of Louisville
Coopers & Lybrand
Louisville
Robert E. Wientjes
Western Kentucky University
Richardson, Pennington &
Skinner, PSC
Louisville
Michael R. Wright
James Madison University
Ball & Smith, CPAs
Louisville
Robert L. Wuerth
Bellarmine College
Internal Revenue Service
Louisville
Robert Earl Yates II
Georgetown College
Thurman, Campbell & Co.
Hopkinsville ☞



Zeman honored with Public Service Award

Donald J. Zeman was announced as the recipient of this year's Public Service Award at the Fall Awards Banquet. The Society's Board of Directors presents the award annually to a Kentucky CPA who has generously contributed time and expertise to his or her community through civic or charitable activities.

When he came to Louisville in 1975, Mr. Zeman helped found the Leukemia Society. He then joined the Board of Junior Achievement, on which he served for several years. Mr. Zeman has also served with The Family and Children's Agency, The Art Center Association, Bellarmine College (as Vice Chairman), St. Anthony's Medical Center (Chairman for 3 years), The J.B. Speed Art Museum (Treasurer), the Louisville Chamber of Commerce and the YMCA.

The AICPA nationally recognizes CPAs honored with Public Service Awards by their state societies. The award is given by each state society to a CPA who has distinguished himself or herself in public service activities. A reception in honor of the state award winners will be held at the Annual Meeting in Baltimore.

Mr. Zeman, an alumnus of Loyola College in Baltimore, retired in 1989 as a partner of KPMG Peat Marwick, the firm where he has worked since 1959. Mr. Zeman was unable to be in Louisville to accept his award at the Fall Awards Banquet, having moved to Maryland where he is now enjoying his retirement. ☞

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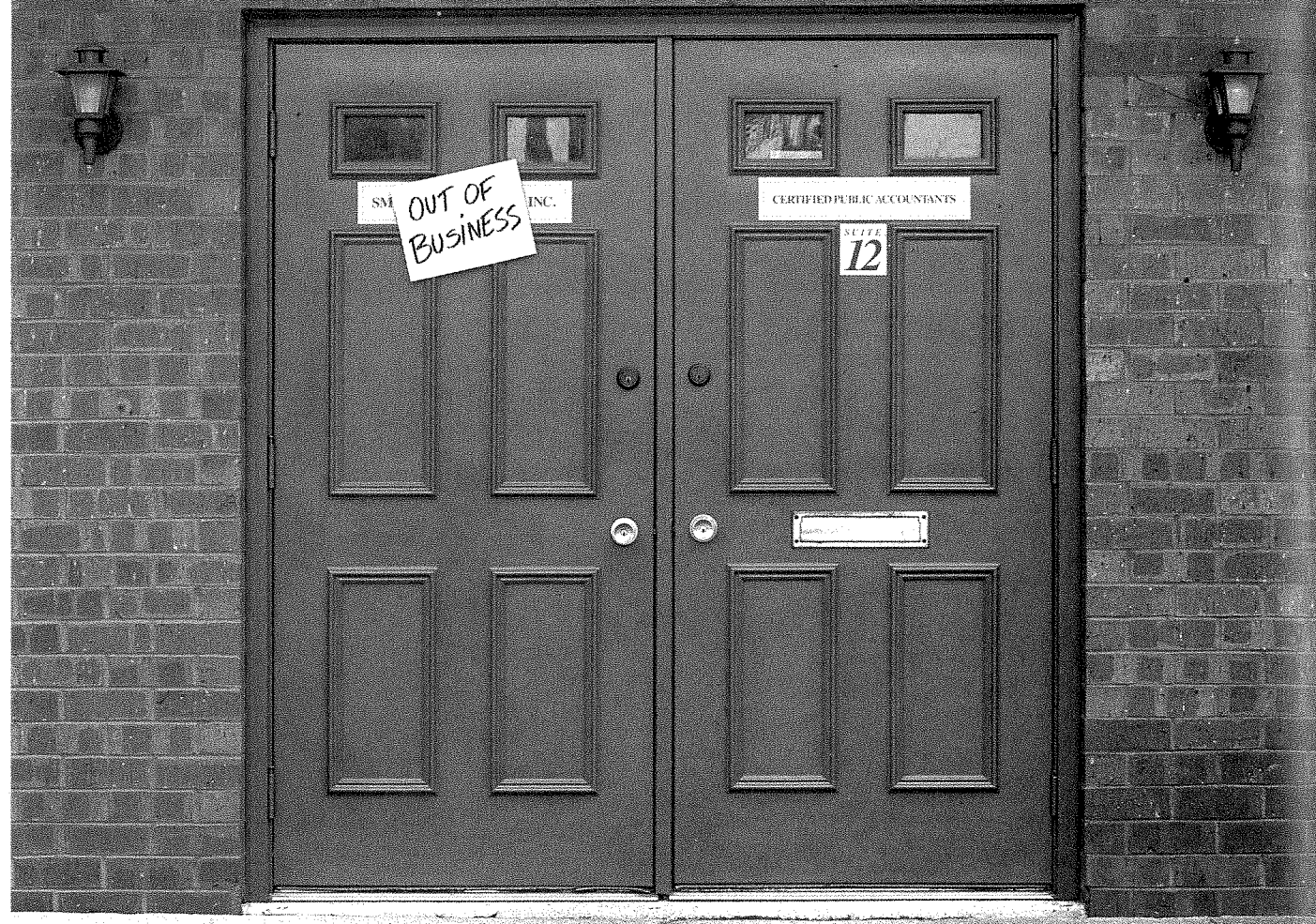
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Test your knowledge of professional ethics

From time to time we will publish questions on ethics topics that have been raised by members of the American Institute of CPAs. This first group deals with interpretations under Conduct Rule 101 — Independence.*

Concerning Independence

1. A CPA firm has performed accounting and management advisory services for a client, such as attending board meetings, interpreting financial statements, forecasts and other analyses and counseling on potential expansion plans and on negotiations with bankers. Has the performance of these services impaired the firm's independence with respect to the client?
 Yes No

2. A partner of a CPA firm has a loan from a financial institution that is material to the partner's net worth. The financial institution has asked the firm to issue opinion on its financial statements. The loan is fully secured by real estate. Would the firm be considered independent with respect to the financial institution in light of the loan?
 Yes No

3. A part-time professional employee of a CPA firm is also employed as the director of finance of a college. Would the CPA firm be

considered independent with respect to the college?
 Yes No

4. The father-in-law of an accounting firm partner serves on the board of directors of a prospective audit client of the firm. Would this relative's position impair the firm's independence with respect to the prospective client?
 Yes No

5. A member of the AICPA serves on the board of directors of a nonpublic corporation. Would it be permissible for the member to issue a review report on this corporation's financial statements?
 Yes No

Answers

1. The CPA firm's independence would not be considered impaired if the accounting services were performed in compliance with interpretation 101-3 of the Code of Professional Conduct. For example, any changes to the client's accounting records must be adopted or rejected by the client's management. When a CPA firm performs management advisory services such as those mentioned above, the firm's independence would not be considered impaired if all the

significant matters of judgment involved are determined or approved by the client and the client is in a position to have an informed judgment on the results. However, if members of the firm assumed the role of management or employees of the client, independence would be considered impaired.

2. Under interpretation 101-1.A.4, independence would not be considered impaired if the material loan is secured. Further, the loan must have been made under normal lending procedures, terms and requirements as defined in interpretation 101-5.

3. As provided in interpretation 101-9, if the employee does not participate in the engagement and if the employee is not located in an office of the firm participating in a significant portion of the engagement, the CPA firm would be considered independent with respect to the college.

4. Pursuant to interpretation 101-9, the father-in-law is considered a nondependent close relative of the partner.

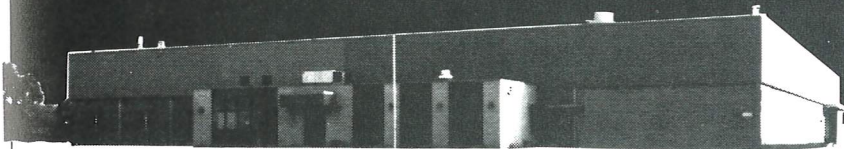
As a director, the father-in-law is considered to be in a position of "significant influence" with the prospective client. Therefore, the CPA firm would be considered independent only if the partner (1) does not participate in the engagement and (2) is not located in an office of the firm participating in a significant portion of the engagement for this client.

5. Interpretation 101-1.B.1 provides that independence is considered impaired if during the period covered by the financial statements, during the period of the professional engagement or at the time of expressing an opinion, the member was connected with the enterprise as a director. Therefore, the member is not considered independent with respect to the nonpublic corporation and may not issue a review report. As provided in Statement on Standards for Accounting and Review Services no. 1 (AR section 100.22 of AICPA Professional Standards), *Compilation and Review of Financial Statements*, the member may issue a compilation report for the corporation provided the member specifically discloses his or her lack of independence without giving the reasons for the impairment. ☞

**This quiz is based on AICPA professional ethics division staff responses to written inquiries from members. It is not a pronouncement of the professional ethics executive committee nor does it purport to set forth an official position of the AICPA. In addition, the questions and answers do not address the requirements of other regulatory bodies, such as the state boards of accountancy and the Securities and Exchange Commission, whose positions may differ from those of the AICPA.*

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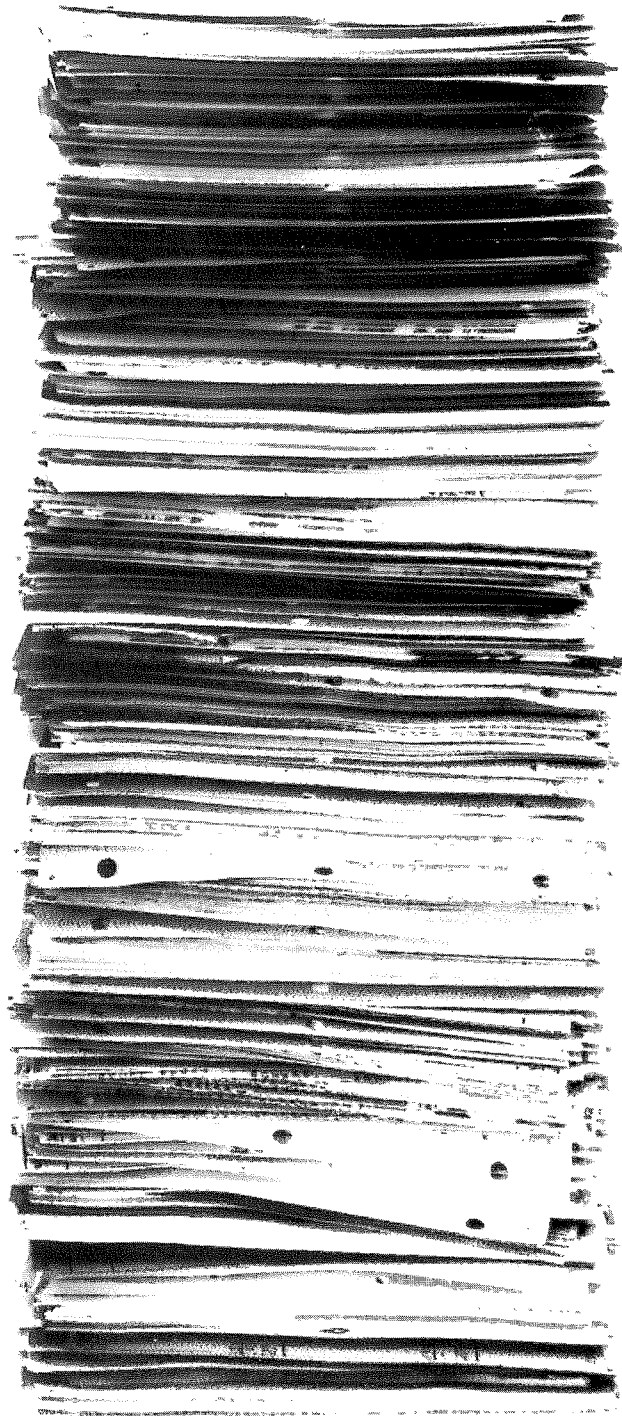
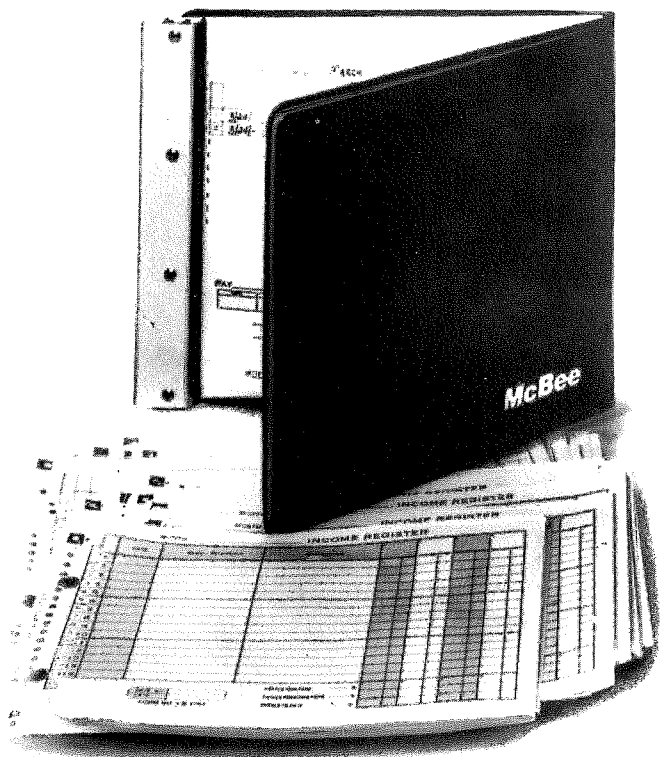
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Members in Industry and Government Forum

Introducing our new column

by Gregory A. Hardt, Chairman
Members in Industry and
Government Committee

The Members in Industry and Government Committee has initiated a new feature for *The Bottom Line*, "Members in Industry and Government Forum." CPAs not in public practice are a diverse group, but the committee hopes to provide a variety of articles covering topics relevant to you. Look for specialized articles on CPE requirements, making the transition from public accounting to private industry, working as a corporate controller, a day in the life of a government auditor, and more.

This is our first column and we hope you find it helpful. We look forward to your comments and suggestions. If you have an article you'd like to submit, a topic you'd like to see covered or a member for our profile section, send it to the I&G Commit-

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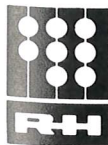


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CPE — and me . . .

Of particular interest to CPAs across the Commonwealth, whether in public accounting or industry, are the new CPE requirements and how they affect you. The 1990 September/October issue of *The Bottom Line* included an article on this topic and you can be sure that there will be many more, but for now, our concern is that you understand how they apply to you, the CPA no longer in public accounting.

About that license and permit to practice —

Since July 1985, all certified public accountants have been required to obtain 20 hours of continuing professional education per year in order to renew their permit to practice. The state recently changed the laws governing our profession and this included an *increase* in CPE hours, a *biennial reporting period* and conforming to a *calendar year for earning* CPE credits.

The State Board of Accountancy instituted the new biennial reporting period because of the need to handle the issuing and reissuing of permits to practice in a more efficient manner. *In 1991, half of the CPAs will receive a one year permit to practice. The other half will receive a two year permit. After 1991, permits will be renewed every two years.*

Also, now we have a "split" requirement: CPAs not in public accounting must have 60 CPE hours every 2 years while CPAs in public accounting must obtain 80 CPE hours every 2 years. This seems simple enough, but the State Board may classify some members in industry as in public practice. The practice of public accounting, by legal definition, is "holding out to be a certified public accountant or public accountant and

at the same time performing or offering to perform for a client one or more types of services rendered by licensees." You do one tax return for one client and you are in public accounting! All rules and regulations concerning CPAs in public accounting would then apply to you, including the 80 CPE hour requirement. The Kentucky State Board of Accountancy will rely heavily upon your honesty in determining your status.

The following is a summarized schedule for CPAs *not* in public accounting concerning the new requirements and regulations for the State Board of Accountancy:

On or by July 1, 1991:

Reapply for permit to practice.

Half will get a one year permit

Half will get a two year permit

All CPAs must show proof of

20 CPE hours for January

through December 1990

On or by July 1, 1992:

Only those with one year permit need

apply

Show proof of 30 CPE hours

for January through December 1991

On or by July 1, 1983:

First group with 2 year permits

apply

Show proof of 60 CPE hours for January

1991 through December 1992

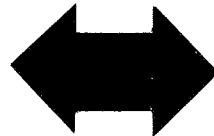
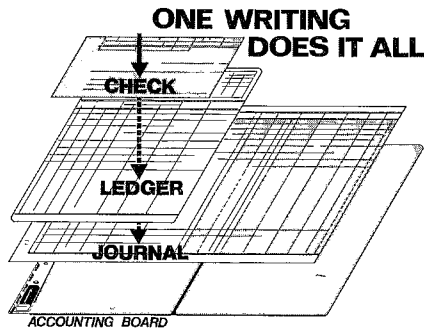
Membership requirements —

For the first time, CPE requirements are mandatory for membership in the Kentucky Society of CPAs and the American Institute of CPAs. Beginning 1990, CPAs no longer in public accounting must obtain 60 hours of CPE over a 3 year period with a minimum of 10 CPE hours per year. All CPE reporting will be done on a calendar year basis, therefore, when you receive your dues statement for the Kentucky Society in July 1991, you will be reporting CPE you took from January through December 1990. You will be asked to check a box on the back of your dues statement saying that you are in compliance. The requirements for the American Institute of CPAs are identical to the Kentucky Society's.

Beginning in 1993, our CPE requirements increase to 90 hours every 3 years, minimum 15 CPE hours a year, but we'll tell you more about that as 1993 gets closer.

I know there is a lot of information in this article, but I hope it clarifies some of the confusion concerning CPE, licensing and membership. If not, please send your questions to the Society office. ☞

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PAC Honor Roll

The Society's Political Action Committee has now raised over \$8,200.00 through contributions submitted with membership dues. We will continue to recognize those individuals who contribute to the PAC in future issues.

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Cox, Nadine F.
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33rd annual

KENTUCKY INSTITUTE ON FEDERAL TAXATION

WEDNESDAY, DECEMBER 12, 1990

AM

8:30 - 8:55

Registration

8:55 - 9:00

Opening Remarks

J. Michael Brown, Atty.

President, Louisville Bar Association

9:00 - 10:00

Current Developments in
Section 1031 Exchanges

Steven W. Swibel, Atty.

Rudnick & Wolfe - Chicago, IL

10:00 - 10:20

Refreshment Break

10:20 - 12:00

1990 Tax Law Changes and
Taxpayers Bill of Rights

Bruce P. McCutchen, Taxpayer Ombudsman

Kentucky Revenue Cabinet - Frankfort

PM

12:00 - 1:00

Lunch (Box lunches available)

1:00 - 3:00

Recent Federal Income Tax Developments

Ira B. Shepard, Atty.

University of Houston Law Center - Houston, TX

3:00 - 3:20

Refreshment Break

3:20 - 5:20

Recent Federal Income Tax Developments
(cont.)

Ira B. Shepard, Atty.

5:30 - 7:00

Cocktail Reception

THURSDAY, DECEMBER 13, 1990

AM

8:00 - 8:15

Registration

8:15 - 9:15

Intangible Assets - Planning for
Purchase Price Allocations and
Amortization Deductions

William C. Fowler, CPA

Arthur Andersen & Co. - Atlanta, GA

9:15 - 10:15

Capitalizing a Closely-Held Business:
Debt/Equity and Related Problems

Peter L. Faber, Atty.

Kaye, Scholer, Fierman, Hays & Handler -
New York, NY

10:15 - 10:35

Refreshment Break

10:35 - 11:55

An Analysis of Interest Deductions

C. Ellen MacNeil, Atty, CPA

Arthur Andersen & Co. - Washington, DC

11:55 - 12:45

Lunch

PM

12:45 - 2:35

Living With Passive Losses

Richard M. Lipton, Atty.

Sonnenschein Nath & Rosenthal - Chicago, IL

2:35 - 2:55

Refreshment Break

2:55 - 4:25

Partnership Distributions

William F. Nelson, Atty.

King & Spalding - Atlanta, GA

4:24 - 5:15

TBA

FRIDAY, DECEMBER 14, 1990

AM

8:00 - 8:15

Registration

8:15 - 9:05

Tax Practitioner's Role in Recognizing Fraud

Daniel G. O'Day, Atty.

Sutkowski & Washkuhn Assoc. - Peoria, IL

9:05 - 9:55

IRC Sec 2036(c) or HR 5425 -

What is the Future for Family Business?

Jerry A. Kasner, Atty.

School of Law, Santa Clara University -
Santa Clara, CA

9:55 - 10:15

Refreshment Break

10:15 - 11:05

Employee Benefit Plan Compliance Update

Roberta Casper Watson, Atty.

Trenam, Simmons, Kemker, Scharf, Barkin,
Frye & O'Neill - Tampa, FL

11:05 - 11:55

Applicability of the Corporate Alternative
Minimum Tax to Taxpayers Filing Consoli-
dated Returns

Richard H. Comstock Jr., CPA

Arthur Andersen & Co. - New York, NY

11:55 - 1:15

Lunch - Federal Tax Legislation
Developments

J. Michael Keeling, Atty.

Zuckert, Scoutt & Rasenberger -
Washington, DC

11:55 - 1:15

Lunch - Federal Tax Legislation
Developments

J. Michael Keeling, Atty.

Zuckert, Scoutt & Rasenberger -
Washington, DC

11:55 - 1:15

Lunch - Federal Tax Legislation
Developments

PM

1:15 - 2:05

Actions, Options and Delimmas
During an IRS Audit

William J. Lehrfeld, Atty.

Lehrfeld, Canter & Henzke - Washington, DC

2:05 - 2:55

Representation Without Taxation: The
Megatrust and the Private Retirement Plan

Richard A. Oshins, Atty.

Oshins & Gibbons - Las Vegas, NV

2:55 - 3:15

Refreshment Break

3:15 - 4:05

Operating Issues for S Corporations

Rebecca Hurlley, Atty.

Johnson & Gibbs, P.C. - Dallas, TX

Institute Registration

33rd Annual Kentucky Institute on Federal Taxation

December 12-14, 1990

Fee: \$225

*Optional lunch on Wednesday: \$10.00 per person additional

Name _____ Atty () CPA () Other ()

Firm _____

Address _____

City _____ State _____ Zip _____

Phone _____

Enclosed is a check for \$ _____ for _____ registration(s). If registering more than one person, please copy form. This includes fee for _____ lunches on Wednesday.

Make check payable to: KENTUCKY INSTITUTE ON FEDERAL TAXATION, INC.

Mail to: KSCPA, 310 W. Liberty Street, Suite 604, Louisville, KY 40202

THE BOTTOM LINE

CPE Calendar

New offerings to meet the "Yellow Book" requirements

"Audit Requirements of OMB Circular A-133"

December 5

Executive West, Louisville

8 hours of CPE credit

Member fee: \$195

Non-member fee: \$210

Program features:

- Comprehensive understanding of OMB Circular A-133 Requirements
- Understanding to help enable participants effectively plan for audits of not-for-profit

entities in accordance with the new audit requirements

- Circular A-133 "Audits of Institutions of Higher Education and Other Nonprofit Institutions"

"1988 Yellow Book:

Government Auditing Standards"

December 10

Executive West, Louisville

8 hours of CPE credit

Member fee: \$175

Non-member fee: \$190

Program features:

- An in-depth discussion of the standards and their impact on auditors functioning in the government environment
- A complete discussion of the relationship of Government Auditing Standards to the AICPA auditing standards, with emphasis on SASs 53, 54, 55, 60 and 63
- Participants receive an outline of the important new government auditing standards

Date	Course	Location	Non-member Fee	Member Discount Fee
November 1990				
19-20	Individual Income Tax Returns Workshop	Executive West — Louisville	\$325	\$295
28	Fall Tax Update (New tax legislation)	Holiday Inn — Prestonsburg	\$155	\$140
29	Advanced Auditing for Partners and Managers	Executive West — Louisville	\$190	\$175
29	Fall Tax Update (New tax legislation)	Ramada Inn-London	\$155	\$140
30	Effective Estate Planning	Executive West — Louisville	\$150	\$135
30	Fall Tax Update (New tax legislation)	Holiday Inn — Hopkinsville	\$155	\$140
30	Partnership Taxation: A Comprehensive Analysis	Executive West — Louisville	\$155	\$140
December 1990				
3	Emerging Issues in S Corporations	Holiday Inn-Hurstbourne Louisville	\$165	\$150
3	Internal Control: The Auditor's New Responsibilities	Holiday Inn-Hurstbourne Louisville	\$150	\$135
4	The Alternative Minimum Tax: Corporate and Individual Strategies	Holiday Inn-Hurstbourne Louisville	\$150	\$135
6	Partnerships, S Corporations, Proprietorships and Individuals — Unique Reporting and Accounting Problems	Holiday Inn-North — Lexington	\$225	\$210
7	Fall Tax Update	Holiday Inn-North — Lexington	\$155	\$140
10	Non-Profit Organizations (Form 990)	Executive West — Louisville	\$155	\$140
12-14	Kentucky Institute on Federal Taxation	Galt House East Louisville	\$225	\$225
January 1991				
7	Fall Tax Update	Executive West — Louisville	\$155	\$140

Registration Form

Name _____
First Middle Initial Last

Firm/Company _____

Street Address _____

City _____ State _____ Zip _____

Business Telephone (_____) _____ Home Telephone (_____) _____

Are you a Ky. Society Member? Yes No Other State Society Member? Yes No

Course Title/Date

Non-member Fee

Member Discount Fee

_____ \$ _____ \$ _____

Payment options — check or credit card

Enclosed is check for \$ _____ payable to Kentucky Society of CPAs

Please charge my credit card:

Mastercard: _____ - _____ - _____ - _____

Ex. date _____ / _____

Visa: _____ - _____ - _____ - _____

Ex. date _____ / _____

Signature _____
Required for Credit Card

Date _____

Registration form may be duplicated.

Mail to: Kentucky Society of CPAs, 310 West Liberty, Louisville, Ky. 40202

People

How do you get your name in print? If you've made a speech, changed jobs, or received an award — let us know about it. Just drop a line to "People," THE BOTTOM LINE, KSCPA, 310 West Liberty Street, Louisville, KY 40202.

Firms & firm changes

In accordance with KRS 325.300, partnerships/professional service corporations engaged in the practice of public accounting must register with the Kentucky State Board of Accountancy, and as required by KRS 325.300(3) or KRS 325.320(3), all admissions to or withdrawals from partnerships/professional service corporations must be given to the Board within one month. The following information is provided by the Kentucky State Board of Accountancy.

Partners/shareholders withdrawn . . . **Jack G. Evans, William A. Wilburn** and **Elizabeth B. Hall** from Evans, Wilburn & Hall in Somerset . . . **J. Don Corbett** from Corbett & Hampton.

New firms/firm name registrations . . . **Jack G. Evans** and **Elizabeth B. Hall** have formed Evans & Hall, in Somerset . . . **William A. Wilburn**, has set up his own practice in Somerset . . . York, Neel & Company has a new branch office in Russellville with **Kerry T. Fort** as the registrant-in-charge.

Members in motion

Carpenter & Mountjoy in Louisville announces the following: **Stephen F. Schulz** has been promoted to senior tax manager . . . **Joanna Peters** and **Jeanette Garber** have joined the firm as staff accountants . . . **Patti Thomas** has joined the firm as a senior accountant . . . **Larry B. Wheeler** has joined the firm of Helton, Linton & Cranfill in Lexington . . . Coopers & Lybrand announces the addition of **George Bauerfeind** as senior associate to its Louisville office. In addition, the firm has hired the following associates: **Jonathan Grief, Courtney Cronin, Jeffrey Grimm, Beth Madden, Victor Wilson, David Ringwald, Patrick Hamilton** and

Lexington office as a staff accountant . . . **Jill Jacobs, Amy Miles** and **Kenneth Hodge** have joined the Louisville office as staff accountants . . . **Steven D. Hamilton** has joined the management team of Von Lehman & Company in Ft. Mitchell as a supervisor . . . Riney, Hancock & Co. announces the following: **Edna Syra Barnes** has been promoted to senior manager. **Terry L. Walker** a shareholder in the firm and in charge of the Management Advisory Services division has been named conference committee chairman for Accountants Computer Users Technical Exchange (ACUTE) . . . **Henry M. "Sonny" Altman Jr.** managing director of Deming, Malone, Livesay & Ostroff, has been elected vice-chairman of the Board of Trustees of Jewish Hospital Healthcare Services . . . **John F. Barron**, senior vice president and assistant controller for Liberty National Bank was recently elected treasurer of the Louisville Chapter of Financial Executives Institute for the 1990 chapter year . . . **Ron F. Barnes**, partner with McCauley, Nicolas & Company in Jeffersonville, Indiana serves on the Board of Rehabilitation Center, is Board president of the Southern Indiana YMCA and a graduate and Board member of Leadership Southern Indiana. In addition, McCauley, Nicolas & Company announces that **Kenneth N. Nicolas** has been named managing partner of the firm . . . **Randall L. Franklin** shareholder in Bruce & Company of Madisonville has been appointed president of the Madisonville Noon Kiwanis Club . . . **Laurence T. Summers** a CPA in Lexington has been elected southeast regional director of the National Association of State Boards of Accountancy (NASBA) for 1990-91 . . . **James C. Sparrow** of Rankin, Rankin & Company in Covington has accepted an appointment to serve as a member of the AICPA 150-Hour Education Requirement Committee.

From the podium

Bob Ross spoke to the Zion United Church of Christ in Louisville, September 20 on tax issues for clergy . . . **Eugene Dumm** from Farm Credit Services, Louisville, spoke to the South Oldham County High School students about career opportunities in the

The envelope please

Monroe Shine & Co. has awarded **Michael A. Carroll** the first V.G. Monroe Fellowship. Carroll, a staff accountant with the firm and a 1989 graduate of the University of Louisville interned at Monroe Shine from April 1989 to April 1990. The fellowship is given in memory of V.G. Monroe who founded and directed the firm for 45 years. It will be awarded annually to the individual who best demonstrates the spirit and principles that characterized V.G. Monroe during his more than 60 years in public accounting. Carroll was presented a plaque and a check for \$1,000 at the firm's October staff meeting. ☞

Person to Person



Name:
Allan G. Hester
426 Hume Dr.,
Paris, KY 40361

Position:
Vice President - Finance & Administration since 1980

Company:
Commonwealth Tire Company, Inc.

Company's Product & Location:
Tire company; Lexington, Louisville, Radcliff and other central Kentucky cities

Year you became a CPA:
1970

Professional Activities:
Received a Certificate of Excellence for scoring among the top six candidates out of over 1,800 candidates world-wide on the May 1989 CIA examination. I have also acquired the CMA certification. Member of

Classified ads

Guidelines for Classifieds

Advertisements must be submitted prior to the tenth of the month prior to the issue date. Only members of the Kentucky Society of CPAs may place classified ads.

Cost is 50 cents per word (\$30.00 minimum). Add \$5.00 for blind box ads. Send requests in writing to THE BOTTOM LINE, 310 West Liberty Street, Suite 604, Louisville, KY 40202. You will be billed when the ad appears.

FOR RENT, CONDOMINIUM, Clearwater, Florida. One bedroom, fully equipped, sleeps four, heated pool, covered parking, \$275.00/week. Call (606) 331-0055.

GATLINBURG RETREAT, booking now for fall, prestigious "summit" condo, breathtaking view, pools (indoor/outdoor), jacuzzi/steam room, fireplace, sleeps six, two baths, equipped kitchen. Call (502) 423-0233 or 896-2302.

POSITIONS AVAILABLE — Von Lehman & Company, a dynamite regional CPA/consulting firm serving a diverse clientele in Kentucky, Ohio and Indiana, wishes to immediately add two CPAs to its professional team as senior auditors. 2-4 years experience required with salary range from \$30,000 to \$35,000 based on technical and industry experience. Reply in confidence to Mark Weber at 250 Grandview Drive, Suite 300, Ft. Mitchell, KY 41017, or call (606) 331-3300.

RAPIDLY GROWING, dynamic firm seeks assertive accounting and tax professionals. Individuals must possess the following characteristics: cooperative spirit, compassion for people, healthy ambition and positive track record. Send resume to Personnel Director, Strothman & Company, 9420 Bunsen Parkway, Louisville, KY 40220.

NORTHERN KENTUCKY CPA firm is expanding and needs qualified professionals to assist in its growth. If you are interested in this opportunity in northern or central Kentucky, please send your resume to Rankin, Rankin & Co., 434 Scott Street, Covington, KY 41011.

LOUISVILLE CPA FIRM seeking accountants experienced in all phases of dealing with closely held business. Must be self motivated and willing to accept responsibility. Excellent long range opportunity. Send resume to Michael Kauffmann, Kauffmann, Amshoff & Zoeller, 2950 Breckinridge Lane, Louisville, KY 40220.

LOUISVILLE CPA FIRM seeking experienced tax and accounting professional. CPAs who now work for a local accounting firm or the small business department of a national firm should apply for this attractive position. An outstanding person's compensation will include salary, fringe benefits and profit sharing. Immediately reap the rewards of your talents and reply in confidence to Joe Hansen, Howard & Co., CPAs, 1048 Bardstown Road, P.O. Box 4218, Louisville, KY 40204.

WESTERN KENTUCKY CPA FIRM desiring to fill two positions. The first candidate should be a CPA, ambitious, and hardworking. A good working knowledge of personal computers, P.C. networking, and system 36 applications is required. The second candidate must be ambitious, and career oriented, must have a CPA certificate or be working toward that goal. Send

resume and salary history to P.O. Box 1034, Madisonville, KY 42431. Every confidentiality extended.

RAPIDLY EXPANDING LEXINGTON CPA FIRM seeking professional at senior/manager level with 3 to 5 years experience in areas of small business and tax services. Must be technically and verbally proficient, cooperative, self-motivated and personable. Possibility of advancement for the qualified individual. Send resume, salary requirements and references to Jenny Dulworth, Dulworth and Breeding, 444 East Main Street, Suite 104, Lexington, KY 40507.

LOUISVILLE OFFICE OF A RAPIDLY GROWING, REGIONAL CPA firm seeks dynamic professional with 3-5 years experience to assume manager level position. Near term partnership a real possibility for individual with client following. Salary from \$40,000. Send resume to Personnel Director, Underwood & Company, 1150 S. 3rd Street, Louisville, KY 40203; or call (502) 584-3981.

INTERESTED IN MERGING or selling your accounting practice? We are a large, local firm that is looking to continue to grow by the merger and/or purchase of other accounting practices located in the Louisville, Kentucky and Southern Indiana area. Reply in strict confidence to William R. Tichenor, Tichenor & Eiche, 9911 Shelbyville Road, Louisville, KY 40223.


VOLUNTEER CPA NEEDED to serve on the Board of Directors of the Kentuckiana Hemophilia Foundation, a statewide 501(c)(3) health agency. The Kentucky Hemophilia Foundation is dedicated to improving the quality of life for those with hemophilia and related bleeding disorders through patient services, education,

and research. Responsibilities include guidance in bookkeeping procedures and reports, approving monthly financial statements, providing treasurer's reports to the Board of Directors, financial and budget planning, and preparing financial records for annual audits. Please contact Cynthia Hall at (502) 634-8161 for more information.

CPAs WANTED — We have assignments for CPAs to work part-time beginning January 21, 1991 to April 15, 1991. Must have a minimum of two years experience preparing individual tax returns. Incumbents will work a minimum of 25 hours per week. Hours may be worked on a daytime flexible schedule. Compensation \$15 to \$20 per hour, based on level of experience. Please send resume to Sandy Dorsett, Vice President, First Kentucky Trust, P.O. Box 36010, Louisville, KY 40233. Equal Opportunity Employer.

PADUCAH CPA FIRM seeking experienced accountant/CPA. Must be self motivated and willing to accept responsibility. Excellent long range opportunity. Allen, Rundle & Golightly, PSC. (502) 443-8201.

WE'RE LOOKING FOR SOMEONE who is a team player, computer literate, has public accounting experience (preferably in tax), a hard worker, ambitious, willing to learn and can get along well with just about anyone. Call Durb or Greg at Cox & Oldham, (502) 426-0000.

WE'RE ALSO LOOKING FOR a certified mother who misses the action. Flex hours somewhat during tax season and widely flexible outside of tax season. Call Durb or Greg at Cox & Oldham, (502) 426-0000. 



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Worth noting

Upcoming AICPA conferences

First National Accounting and Auditing Conference on Employee Benefit Plans

The AICPA First National Accounting and Auditing Conference on Employee Benefit Plans will be December 10-11, 1990 at the Ramada Renaissance Techworld in Washington, D.C. The conference qualifies for 16 hours of CPE credit. Registration fee is \$495.

This first of its kind conference is designed to help the CPA practitioner, plan administrator, and others deal with accounting and auditing matters affecting employee benefit plans. Recent years have seen the issuance of the "Expectation Gap" Auditing Standards, a review by the Inspector General of the Department of Labor of independent auditor's workpapers and audit reports, and increased interest by the Pension and Welfare Benefits Administration in Form 5500 filings and related auditor's reports. The conference will provide participants with an introduction and update on current employee benefit plan accounting, auditing, and reporting matters. Topics include: current and proposed legislative actions, Pension and Welfare Benefits Administration and DOL Office of Inspector General actions and concerns, and the AICPA's proposed revised audit and accounting guide.

SEC Update Conference

The AICPA SEC Update Conference will be January 8-9, 1991 at the Grand Hyatt Hotel in Washington, D.C. The conference qualifies for 16 hours of CPE. Registration fee is \$495.

This conference will cover accounting and reporting issues that affect SEC reporting entities and is directed at CPAs, financial executives of SEC registrants, and others interested in SEC reporting. The conference will provide important information and analyses on current and proposed requirements and insight into future developments in SEC reporting. Topics include: current projects in the Office of the Chief Accountant and the Division of Enforcement; a demonstration of filings using EDGAR; and SEC independence issues.

For accountants working with nonprofits: an easy-to-read, easy-to-reference accounting guide

"What a Difference Nonprofits Make: A Guide to Accounting Procedures" illustrates the basic principles of nonprofit accounting and key management concerns of nonprofits and how they differ in many important ways from for-profit businesses.

Copies of the guide are available from Accountants for the Public Interest (API), 1012 14th Street, N.W., Suite 906, Washington D.C., 20005; (202) 347-1668. Postage/handling \$5.00.

API, with the aid of a grant from The Exxon Fund for Management Assistance, produced this guide as a general introduction to the nonprofit sector. It summarizes the qualifications for IRS 501(c) nonprofit status, provides an overview of controls, budgeting and accounting procedures and includes "Working with the Board of Directors." It is equally helpful to nonprofit managers and board treasurers.


API is a national organization whose purpose is to provide volunteer accounting services to nonprofits, small businesses and individuals who cannot afford these services. Through a national network of API Affiliates, volunteer accountants provide

short-term, not ongoing, accounting assistance that often makes the difference in the survival of a struggling nonprofit or business.

Kentucky Housing Foundation welcomes variety of year-end gifts

Kentucky Housing Foundation, the Commonwealth's newest partner in the quest to provide affordable housing for Kentucky's neediest citizens, invites your clients to consider a cash contribution or a gift of real estate. The Foundation is a 501(c)(3) charitable organization created in 1989 to address the housing problems of single-parent families, frail elderly, the disabled and the homeless.

Last year, through the efforts of his CPA, a physician in a western Kentucky community donated seven acres of land suitable for multifamily development to the Kentucky Housing Foundation. This transaction benefited the donor for tax purposes and gave the Foundation a valuable asset which may be sold or developed.

If you are interested in knowing more about the Foundation, please feel free to contact J. Kathryn Peters, Associate Director, (502) 564-7630. 



**The Educational Foundation of
The Kentucky Society of CPAs**

310 West Liberty, Louisville, Kentucky 40202

Address correction requested

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