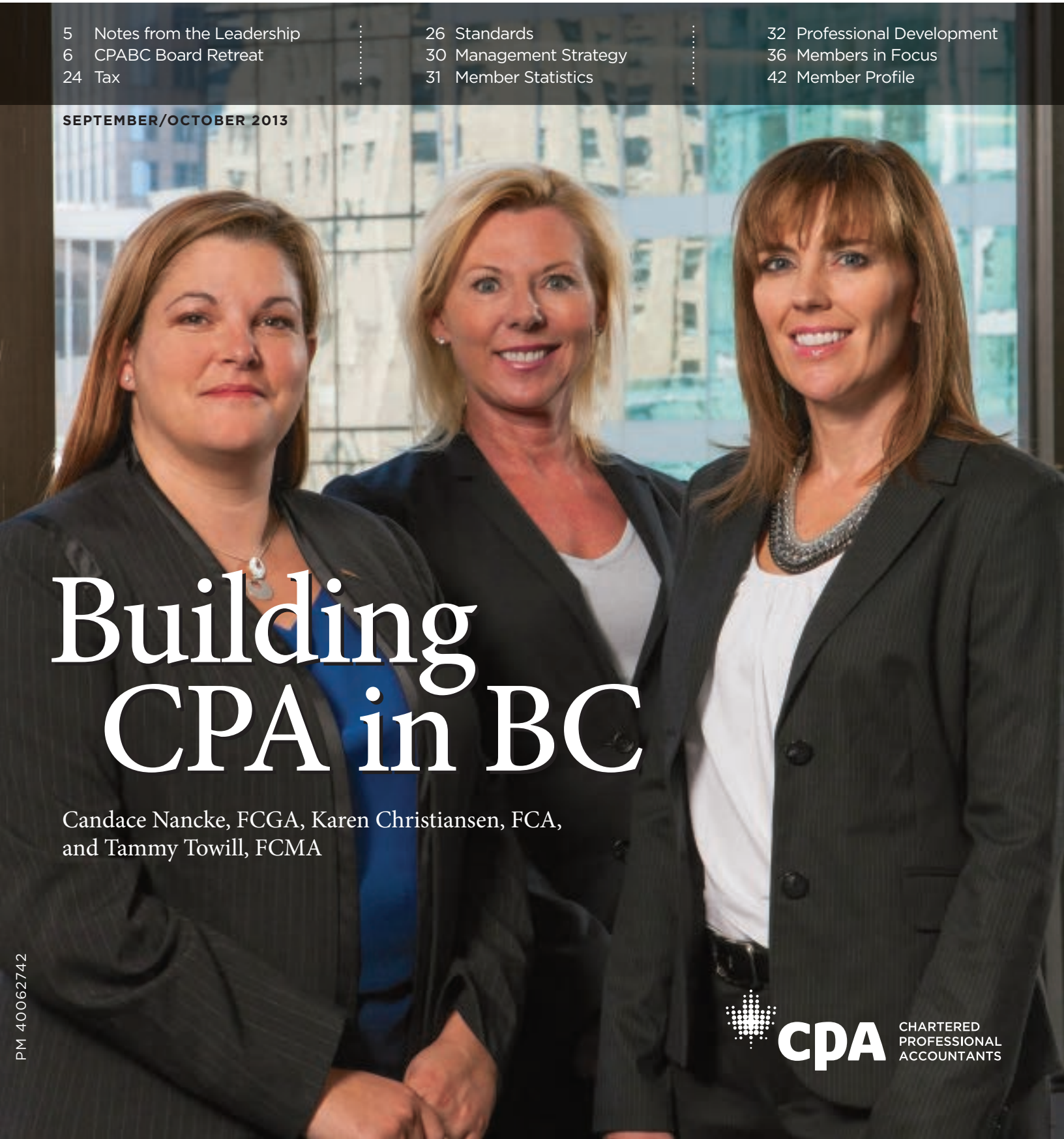
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SEPTEMBER/OCTOBER 2013



Building CPA in BC

Candace Nancke, FCGA, Karen Christiansen, FCA, and Tammy Towill, FCMA

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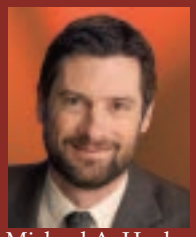
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Cover photo: Mike Bradley and Colin Goldie.

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CPABC INFOCUS

September/October 2013, Vol. 1

British Columbia's CA, CGA, and CMA bodies are currently working to unite under the CPA designation. *CPABC in Focus* is their flagship magazine.

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	Candace Nancke, FCGA
	Tammy Towill, FCMA
First VP/VC	Dan Little, FCA
	Simon Philp, FCMA
	David Sale, FCGA
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ICABC CEO	Richard Rees, FCA
CGA-BC CEO	Gordon Ruth, FCGA
ICABC COO	Jan Sampson, FCA

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Contact us at info@bccpa.ca.

About

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Notes from the Leadership

By Karen Christiansen, FCA, Candace Nancke, FCGA, and Tammy Towill, FCMA

Welcome to the first issue of *CPABC in Focus*, the first CPA member magazine to be launched in Canada! Building on the strengths of *Beyond Numbers* (ICABC), *Outlook* (CGA-BC), and *Update* (CMABC), *CPABC in Focus* will serve as the flagship magazine for the accounting profession in British Columbia. Our goal is to provide members and students with relevant information and commentary on a range of pertinent business and accounting matters. Look for recurring articles on topics such as tax, HR, and ethics, as well as member profiles and news from the profession.

In this first issue, we introduce some of the individuals serving on CPABC's Transitional Steering Committee (TSC) and Transitional Management Committee (TMC)—individuals who are responsible for implementing the transition plan and operational merger. In addition, you'll find important information regarding the use of the CPA designation, the upcoming national branding campaign, recruiting, and other transition-related matters.

As the move to CPA becomes a reality, the accounting profession in BC—as in every province across the country—is about to embark on an exciting journey. This excitement was evident at a successful joint BC council/board retreat held in Kelowna on July 4 and 5 (see pages 6-7 for a recap of this landmark event). The message from the retreat was clear: Your collective leadership is committed to establishing an outstanding professional body, and is working hard to get there. Most of all, we are proud of our legacy and traditions, and proud of what we are building together in the creation of CPABC, which will truly reflect the best of all three worlds.



Karen Christiansen, FCA



Candace Nancke, FCGA



Tammy Towill, FCMA

As the president and chairs of the legacy bodies, the three of us look forward to working with our colleagues on the TSC, the TMC, the ICABC council, and the CGA-BC and CMABC boards as we continue to evolve into a cohesive and integrated team—one that will further the profession within BC, while also maintaining a leadership role at the national level.





CPABC Board Retreat



On July 4 and 5, 2013, council and board members from BC's three legacy bodies—CA, CGA, and CMA—attended an historic, first-ever leadership retreat for the Chartered Professional Accountants of BC (CPABC). We also had several guests from CPA Canada in attendance, including CEO Kevin Dancey, FCA, and board co-chair, Shelley Brown, FCA. While we are still awaiting legislation to formally establish this organization, an operational merger has begun, and we expect a three-way joint venture agreement to be signed in October 2013.

To that end, a considerable amount of work is underway. At the retreat, members of the legacy council/boards were fully apprised of the progress made to date regarding priority transition items, such as branding, recruiting, use of the CPA designation, CPA precertification and transition, and members' services. Council and board members also reflected on the national and provincial relationships that have been established to unify the Canadian accounting profession, and discussed how BC can continue to provide meaningful input to high-priority areas—such as harmonized regulation and the development and delivery of education—as the national profession evolves.

The retreat was an overwhelming success, with participants openly enthusiastic about the flow of ideas and spirit of collaboration created and maintained over the two-day period. This event highlighted the commitment and passion of volunteers as work continues to establish a new professional accounting body in British Columbia—one that is exceptional and embraces best practices; continues to celebrate the traditions CAs, CGAs, and CMAs hold dear, while also creating new ones; and maintains the rigorous standards that are the hallmark of all three legacy bodies as we strive to protect the public interest.









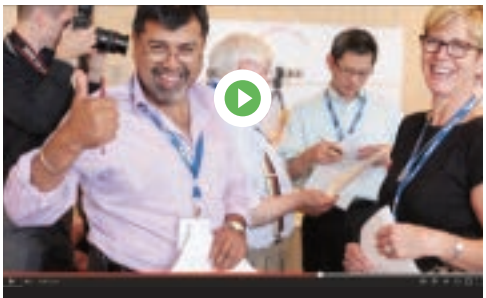
Council and board members from British Columbia's three legacy bodies gathered for two days in July to brainstorm and talk transition. To view an online gallery of photos from the Kelowna retreat, visit **flickr.com/cpabc**. All photos from the retreat, including the images on pages 5 and 22, by Mike Bradley.











Watch the video from the CPABC Board Retreat

www.youtube.com/cpabritishcolumbia

"As the leadership team responsible for meeting our council and boards' legacy responsibilities, as well as establishing CPABC and managing the transition, we are excited by what the year ahead holds and would like to thank our council and board volunteers for their support through this process."

—Karen Christiansen, FCA, Candace Nancke, FCGA, Tammy Towill, FCMA

2013 Symposium for Accounting Academics and Educators

By David Chiang, CA, CIA, CMC



On June 6 and 7, 2013 the CA Education Foundation (CAEF) held an academic symposium for accounting educators. Over 80 academics, including CAs, CMAs, CGAs, and other interested participants from across BC attended the event.

In a session on peer instruction, Dr. Eric Mazur, a professor at Harvard University, encouraged attendees to make use of student interaction during lectures while focusing students' attention on underlying concepts and techniques. As Mazur explained, this method can be considerably more effective in enhancing student learning than the conventional lecture-style approach.

Katherine Letourneau, CPA, CA, and Jylan Khalil, CPA, CA, of CPA Canada, presented two sessions on the new CPA program. The first session provided useful information about the impact of the new CPA certification program on undergraduate programs, the competencies expected of entry-level CPAs, and the underlying concepts supporting the competency map (see pages 34 and 35 for a Q&A on the CPA Certification Program). The second session provided examples of various assessment and evaluation questions.

The final session was a hands-on workshop led by Dr. Sunah Cho and Chris Crowley, of the University of British Columbia, in which they explained how to build an online/mixed/hybrid course using easy technology. In this workshop, Cho and Crowley integrated learning points from the previous sessions.

Kudos to the symposium committee, which included Dr. Sandy Hilton, CA (event chair), Peter Norwood, FCA, FCMA (CAEF chair), and Chris Burnley, CA, (CAEF vice-chair) for making the 2013 symposium such a huge success. Many attendees said they're already looking forward to the next symposium, which is slated for 2015.

—David Chiang is the senior director of member services at the ICABC.





(Above) Event chair Dr. Sandy Hilton, CA; (below) a packed house of accounting educators; (right) Jylan Khalil, CPA, CA, of CPA Canada, discusses the impact of CPA certification on undergraduate programs.

Hats off!

Congratulations to CMABC students Jonathan Loranger, Tyler Lynem, and Charles Gibson for achieving top marks in the June 2013 National CMA Entrance Exam. A special congratulation goes to Loranger, who tied for first place nationally on the Entrance Exam with a mark of 98%.

Sponsorships & Events

This summer, the ICABC, CMABC, and CGA-BC sponsored or attended a number of industry and post-secondary institution events promoting the CPA designation. Events included: *BCBusiness* magazine's Top 100 luncheon and gala (June 26), which recognizes the province's top-performing private and public companies; the UBC Diploma in Accounting Program (DAP) summer barbecue (July 22); the SFU Accounting Student Association banquet (July 25); the UBC DAP alumni networking night (August 14); and the Vancouver Board of Trade Leaders of Tomorrow Mentorship Program speaker series, which focused on lessons in leadership from accounting professionals, and featured Eric Gounder, CGA, Grace Mok, CA, and Jessica Pursell, CMA (August 21).







1. Nicole Wears, development officer (CMABC), and Shannon Thompson, senior manager of marketing (CMABC), overseeing the CPA booth at the *BCBusiness* Top 100 event. **2.** *BCBusiness* Top 100 event at the Fairmont Vancouver Hotel. **3.** Peter Legge, publisher of *BCBusiness* and CEO of Canada Wide Media, interviews keynote speaker Frank Giustra, president and CEO of Flore Financial Corporation and co-owner of Thunderbird films, at the Top 100 event. Photos by Alistair Eagle.

Upcoming events

The Young Professionals Group, which is open to all legacy members, is hosting an evening speakers' panel event on October 1, 2013, that will give young professionals an opportunity to meet with and hear from experienced and successful members as they reflect on their career experiences. And on November 26, 2013, Karen Wensley, author of the best-selling book, *The Power of Personal Branding for Career Success*, will discuss how to develop your personal brand and find the right mentors as career guides. To find out more, visit the events section at **www.bccpa.ca**.

CPA Canada webinars

CPA Canada is offering two free webinars in September. Both will be available as archived webinars once the live dates have passed.

September 9 – *Revised Standard on Engagements to Review Historical Financial Statements: Improvements Proposed*: **http://ht.ly/nXxlh**

September 12 – *New Standard on Reporting to Third Parties*: **http://ht.ly/nXx9R**

Make a Connection with CPA Canada's Community Connect Program

Through the Chartered Professional Accountants of Canada's Community Connect Program, Canadians—from school-age children to retirees—are given the knowledge and confidence needed to make the best possible financial choices for their circumstances to achieve the level of prosperity needed to accomplish their life goals. Through this volunteer program, members are able to step up and become leaders in improving the state of financial literacy in their respective communities. CPA Canada invites you to join them in a training webinar on October 17, 2013. For information on the webinar and the Community Connect Program, visit **www.cica.ca/financialliteracy**.

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Connect with CPABC online on our new Facebook, Twitter, YouTube, and Flickr social media pages:

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Digital editions of *CPABC in Focus* are available at **www.bccpa.ca**

Notes on Licensing

Pursuant to its meeting of July 12, 2013, the ICABC's Practice Review & Licensing Committee announces that the following public practice firms are now closed:

Firm Name	City
Donna G. Robertson, CA	Victoria
Emmanuel Soligo, CA	Burnaby
Gabriel A. Perez, Chartered Accountant	Port Coquitlam
John Shantz, CA	Kamloops
K. R. Margetson Ltd.	Sechelt office only
W. Xie, CA	Richmond

Student & Candidate Resources



Welcome to Student & Candidate Resources! This section of *CPABC in Focus* is dedicated to providing legacy students and CPA candidates with information on resources, events, and opportunities to connect with CPABC.

CPA PEP: Core Module 1

Core Module 1 begins on September 21, 2013, and the final withdrawal date is October 18, 2013. Other key dates include:

- *Workshop Session #1 – September 21-22*
- *Workshop Session #2 – October 26-27*
- *Evaluation Date – November 22*
- *Results Released – December 13*

CPA experience requirements

CPA practical experience requirements, including transitional requirements, are under development and will come into effect in 2014. Until that time, the qualifying practical experience requirements of legacy designations remain in effect and will count toward the CPA practical experience requirements.

The profession recognizes that some candidates may register for the CPA Program after having already obtained relevant work experience. Criteria regarding prior experience recognition are being developed and are expected to be released this fall.

Upcoming events

This fall, we'll be hosting a variety of CPA events and information sessions for prospective CPA candidates and employers. These events will also give current CPA candidates an opportunity to connect with some of BC's most influential business leaders.

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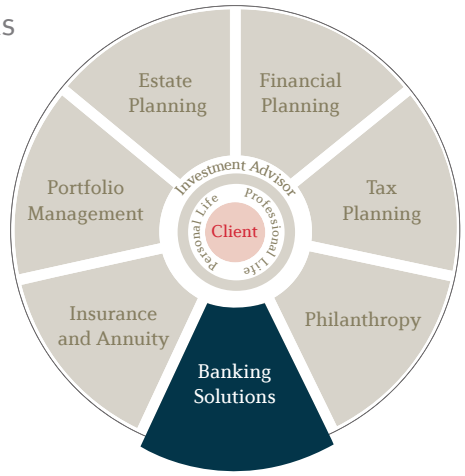
CPABC has launched new corporate and recruiting social media sites and blogs. For social media links, visit the new CPABC website at **www.bccpa.ca** and the new recruiting website at **www.goCPAbc.ca**.

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NATIONAL BANK FINANCIAL
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By Patrick Schryburt

Leading the Charge to Build CPA in BC

CA, CGA, and CMA leaders have no difficulty finding common ground for the common good.

The unification initiative has been unfolding since May 2011, and, as with any complex undertaking, there have been many twists and turns along the way. However, it is safe to say that after much hard work and consultation, the accounting profession has reached a watershed moment, with CPA ready to launch across the country. Here in BC, we are fortunate to have three dynamic and forward-thinking professionals lead our legacy bodies as we begin the transition to the Chartered Professional Accountants of BC (CPABC).

"This can work!"

Over the past few decades, accountants across Canada have seen several attempts to unite under a common designation. Karen Christiansen, FCA, president of the ICABC, Candace Nancke, FCGA, chair of CGA-BC, and Tammy Towill, FCMA, chair of CMABC, each understood very early in the current process that the accounting profession in BC—and around the world—had evolved greatly since those earlier attempts, and that unification not only could be achieved now, but needed to be achieved.

Their confidence was due, in part, to those who laid the preliminary groundwork for unification.

"I was optimistic when I saw that they had taken on the big roadblocks and addressed those first," explains Towill. "That was really smart, and I thought it was a much more strategic, more thoughtful approach."

Towill also credits the Quebec government for passing legislation to create a single accounting designation in the province.

For the CAs and CGAs, optimism also grew after extensive consultations with members. Like their CMA counterpart, both organizations conducted "town hall" meetings across the province, where they discovered that the majority of attendees understood the rationale for unification by the end of each meeting.

"As soon as people heard the facts, considered the impetus of Quebec legislation, and weighed the merits of continuing to be a self-regulating body, they understood why unification made sense," Christiansen says.

Nancke pinpoints the moment when success seemed achievable: "Early this year, our board met with our counterparts who were working on advancing the CPA profession, and they shared their progress and vision with us," she says. "I remember thinking: 'It's going to work this time.'"



Left to right: Tammy Towill, FCMA, chair of CMABC, Karen Christiansen, FCA, president of the ICABC, and Candace Nancke, FCGA, chair of CGA-BC. Photo by Albert Normandin.

The right people to make it happen

A successful transition to CPABC requires the right leadership, and Christiansen, Nancke, and Towill certainly fit the bill. In addition to volunteering as leaders of their respective legacy organizations, each is a leader on the job as well. Christiansen works as a partner with MNP LLP in Kelowna; Nancke is the managing partner and co-founder of Loren Nancke & Company; and Towill divides her time between working as an instructor at Capilano University, serving as vice-chair of the University's Senate, and consulting as a founding partner with the Peppertree Group.

They share many professional attributes—most notably a desire and ability to problem-solve.

"Most of the work I do is about figuring out what's not working," Towill says. "People bring me in because they're looking to figure out how to fix things."

Moreover, all three say they derive most of their professional satisfaction from helping clients.

"It's terrific to be part of a client's advisory team—to help them grow and change," Christiansen says. "You really become a part of their thought leadership."

Finally, they share a drive to succeed. Take Nancke, for example—with more than 20 employees and offices in both North Vancouver and New Westminster, Nancke has extended her role as managing partner far beyond simply doing client work. She has been instrumental in the rapid growth of her firm.

"I've always been the kind of person who figures out how we do things and what resources we need," she says.

A defining moment

"What's in the best interests of both our members and the public?" This was a defining question, say all three leaders, as it required the three bodies to make choices about strategy, people, and resources. It also forced everyone to delineate their strengths and weaknesses in order to assess where they stood in the competitive landscape—the global landscape.

"When you consider the global pressures and our structure in Canada with more than 40 regulating bodies, it made so much sense to have a stronger, unified voice provincially, nationally, and globally," Christiansen says. "If I consider my business, it's clear that my world doesn't stop at the corners of my office, or my firm, or even my community. It's a global business world, and the more international recognition we can gain is terrific for our members."

While the challenges posed by global pressures were daunting, the challenges closer to home were even greater.

"Trying to articulate a clear and meaningful distinction between the three designations was increasingly difficult," Nancke recounts. She says there is little doubt that competition affected resource allocation, and believes unification will strengthen the profession. "Instead of spending time and effort explaining how we're different, we can refocus our energy on making sure the public understands the difference between a professional accountant and a non-professional."

For Towill, this is the defining moment for the profession in BC.

"This process has required all three bodies to really examine what we did, and take what was great in each," she explains. "It forced us to come to the table and hammer out one program."

"There seems to be a natural cohesion, and the groups are working well together."
—Christiansen



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Towill says her optimism is rooted in the fact that the prospect of unification compelled everyone to focus on best practices: "It is such a rare thing to have an opportunity to pull best practices from three great organizations and build something new."

Managing change

Even when the right leadership team is in place to make a merger work and there is a compelling case that the merger will have synergistic benefits, mergers can be complicated. They involve people and processes, both of which can easily become entrenched into an organization's cultural and operational DNA.

Nevertheless, the process in BC has gone exceptionally well, and it's a testament to efforts of the entire leadership team.

"A significant amount of due diligence had to be done quickly, and it goes to show the commitment to making it work this time," Nancke says. Adds Christiansen: "There seems to be a natural cohesion, and the groups are working well together."

It helps that all three women have a natural, collaborative leadership style. They understand that a good decision is made with valued input from all constituents.

"I would never think that I have the only answer in the room," Towill says. "I'm a big believer that there is something to be had from the discussion and buy-in of everyone involved."

They also point out that the three bodies have worked hard to achieve not only strategic fit, but cultural fit as well.

"We all have brand loyalty—there's absolutely no question about that—but it's also about recognizing the greater good of the bigger brand," says Christiansen. Adds Towill: "For people to be excited enough and positive enough about something new to let go of that much pride really speaks to the work done by the leadership to get people to this point."

The next milestone

All three leaders agree on what they would like to see during the next 12 to 18 months: legislation.

"It's the last piece of the equation," says Christiansen.

As professional accountants, she and her colleagues understand the value this would bring.

"I would love to start using CPA right now," Nancke says, "and to link the new branding to the membership."

In the interim, managing change will continue to be a critical part of this unification process. Each organization's employees are working hard towards operational integration—a fact that is not lost on the CMABC chair.

"Our staff members are doing a great job, but it would be great to have more stability," Towill says. "It's easier for us because we go back to our day jobs, but they are living it every day."

"I'm excited because there are very few opportunities in life where you have a chance to build something from scratch." —Towill

Believing in CPA

While Christiansen, Nancke, and Towill each had a different journey to their respective volunteer positions, the creation of the CPA designation allowed them to meet at a crossroads of opportunity and status quo. They chose to embrace opportunity, and they're excited about the future.

"We are building the best business school that is available," Christiansen says. "I truly believe that by bringing all three designations together, the accounting profession is going to be recognized as one of the premiere business development tools in terms of education."

Towill values the opportunity to start with a blank canvas.

"I'm excited because there are very few opportunities in life where you have a chance to build something from scratch," she says. "What we had before was great, but we now have a chance to build something that will be truly amazing on a national scale."

Nancke is even more succinct: "I've never been one to settle for the status quo. Just because 'that's how we always did things,' doesn't mean there isn't a better way. CPA is a better way of doing things."

The accounting profession in Canada has historically been well served by the many important contributions of British Columbia's CAs, CGAs, and CMAs. There is little doubt that Christiansen, Nancke, and Towill are continuing this legacy by leading the charge to build CPA. ■

Patrick Schryburt is the communications manager for CGA-BC.

"I've never been one to settle for the status quo. CPA is a better way of doing things." —Nancke



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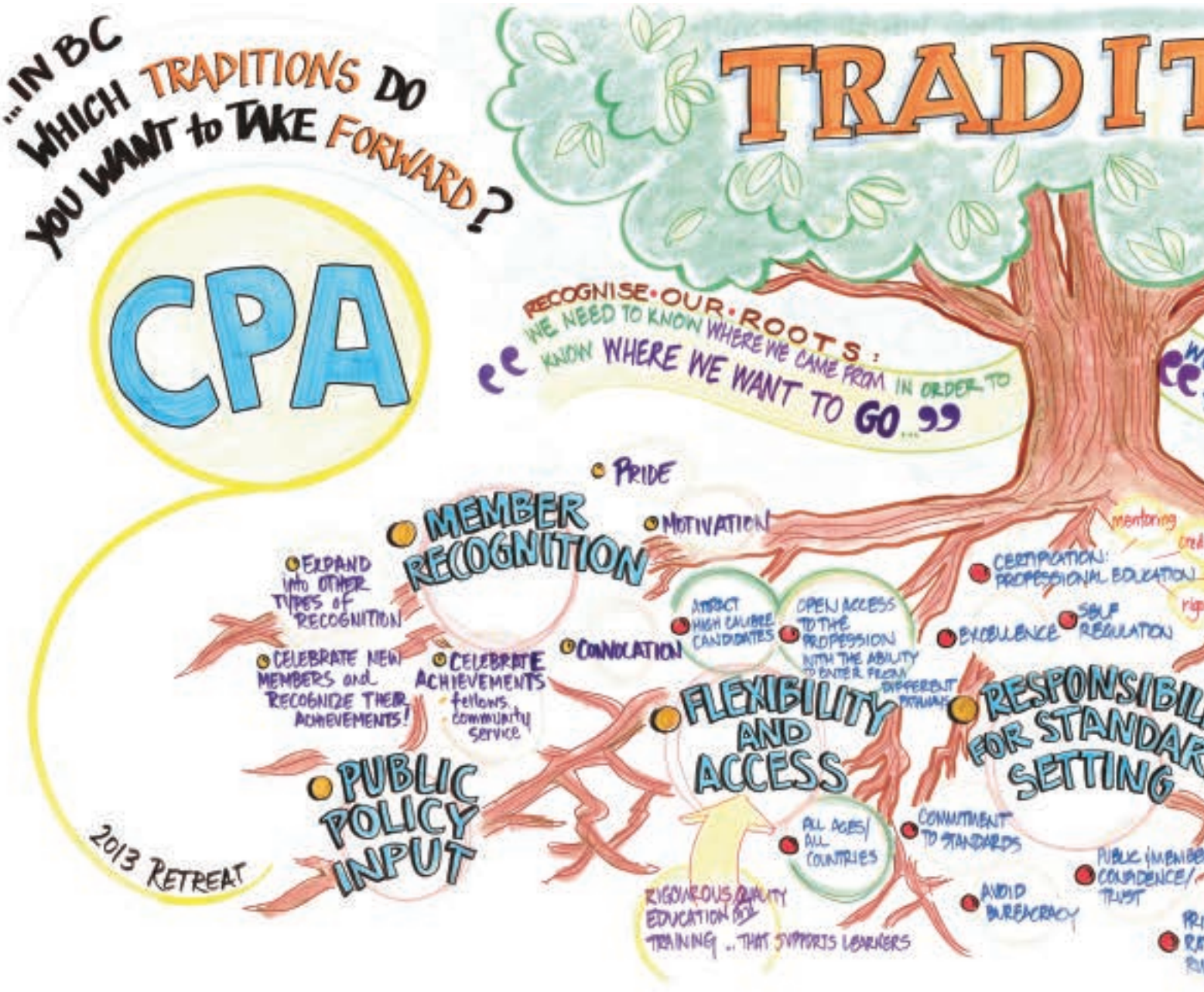
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Transitioning to CPABC

By Vinetta Peek, CMA (Hon.), CMA, Richard Rees, FCA, and Gordon Ruth, FCGA

On May 8, 2013, the ICABC, CMABC, and CGA-BC signed an historic merger agreement. The existing CA/CMA Transitional Steering Committee (TSC) and Transitional Management Committee (TMC) were modified accordingly to reflect the new partnership, with CGA-BC chair Candace Nancke, FCGA, and board members Brian Friedrich, FCGA, and David Sale, FCGA, joining the former, and CGA-BC CEO Gordon Ruth joining the latter.

The TMC was subsequently asked to begin working on a CPABC transition plan that integrates the strengths and resources of all three unifying bodies. This article shares important information from the TMC plan, including BC's participation at the national level, the development of the CPABC Joint Venture, and the integration of certain priority areas ahead of legislation.

Illustration by the CPABC Board Retreat graphic facilitators: Lisa Arora of Get the Picture and Michelle Boos-Stone of Five Elements Consulting Group.



National participation and policy development

Going forward, it is vital that we continue to work collaboratively with our national and provincial partners, as this collaboration is one of the main reasons for the success of the unification initiative thus far.

BC has consistently been looked to for, and has provided, input on policy development and thought leadership on national committees. CPABC is committed to maintaining this involvement in the national development of programs and activities. In addition to enhancing our ability to identify any opportunities and challenges on the horizon, this involvement allows us to continue contributing the knowledge and talent of the BC team, and influencing the shape of the emerging CPA profession.

Areas where we expect to be highly involved include educational development and delivery for both the CPA Professional Education Program (CPA PEP) and the mid-tier education program. We will also evaluate the national recommendations for unified regulatory frameworks as they evolve, and will seek to implement those recommendations where possible. These plans would cover all of the regulatory functions, including: legislation, bylaws, and rules of professional

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In working with our provincial partners, BC has been at the forefront as a driver of change. In fact, many of the materials developed in BC to move unification forward—such as the submission to government and the joint venture structure—were subsequently adopted and used by other jurisdictions.

Joint venture

The profession has no control over the timing of CPA legislation. Forming a joint venture enables us to continue moving forward in an integrated way and in alignment with CPA Canada, while also ensuring that legislated responsibilities are delivered effectively and in accordance with council and board objectives.

The ICABC and CMABC entered into an unincorporated joint venture—the CPABC Joint Venture—effective April 1, 2013, in order to begin integrating operations. This venture represents a sharing of responsibilities, obligations, and resources, and a pooling of all staff (by secondment to the joint venture). The three-way merger agreement contemplates a similar arrangement.

Today, only the ICABC council and CMABC board, along with the respective regulatory committee structures, remain intact and distinct—tasked with overseeing the areas of non-delegable authority for the two bodies. In addition, the legacy council and board have other specific responsibilities during transition; these include budget approval, establishing membership fees, approving changes to education, and other decision points as per the BC merger agreement.

With CGA-BC poised to join CPABC, it was determined that the most effective way to unify the BC profession would be to base our new structure on the existing one. We expect that the new three-way joint venture will take effect in October. In the meantime, it is through the existing CPABC Joint Venture that the management and integration of priority areas is taking place.

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Priority areas

CPA legislation

The profession's leadership has met with the Ministry of Advanced Education regarding the timing of CPA legislation in BC. Advanced Education Minister Amrik Virk expressed support for unification and demonstrated a clear understanding of how unification fits within the government's agenda. We are hopeful, therefore, that our legislation will be one of the priorities brought forward by the Ministry for inclusion in the upcoming spring session.

However, setting the legislative calendar is a delicate balance of priorities and timing, and our initiative will be competing with many others for inclusion in the spring session. So while we are hopeful that the minister's support will help move CPA legislation forward in a timely way, we must plan for the possibility that we will not have CPA legislation until the fall of 2014 or the spring of 2015. To that end, another of our priorities is securing the use of the designation for members in the interim.

Use of the CPA designation

Looking at the national landscape: CPA Canada is operational, and the new CPA PEP will be launched this September, as will an extensive branding campaign (see pages 22-23). CPA is now an active Canadian designation; there are 71,000 members in Canada's two largest provinces, and seven other jurisdictions—Alberta, Saskatchewan, Manitoba, Nova Scotia, PEI, Newfoundland and Labrador, and New Brunswick—are looking to introduce CPA legislation in the fall of 2013 or spring of 2014.

In light of these developments and the fact that many BC members would like to begin using the CPA designation as soon as possible, the three legacy bodies would like to introduce bylaws in September that would allow members to use the CPA in conjunction with their legacy designations prior to the creation of legislation (i.e., CPA, CA; CPA, CMA; and CPA, CGA). We are currently seeking the support of government in this regard, recognizing that this request will apply to designation usage by members only, and not to usage by firms (until new CPA legislation is enacted, firms will only be authorized to use their legacy

continued on page 20

Transitional Steering Committee



Karen Christiansen, FCA
President, ICABC
Partner, MNP LLP



Candace Nancke, FCGA
Chair, CGA-BC
Managing Partner,
Loren, Nancke &
Company, CGAs



Tammy Towill, FCMA
Chair, CMABC
Faculty, Capilano
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Dan Little, FCA
First VP, ICABC
Partner,
Hayes Stewart Little
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Simon Philp, FCMA
First VC, CMABC
Director & Team Leader,
CIBC Commercial
Banking



David Sale, FCGA
First VC, CGA-BC
Professor of Accounting,
Kwantlen Polytechnic
University



Brian Friedrich, FCGA
Second VC, CGA-BC
Principal,
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corporation



David Hallinan, CMA
Second VC, CMABC
Director, Corporate
Services,
BC Lottery Corporation



Barry Macdonald, FCA
Second VP, ICABC
Partner,
PricewaterhouseCoopers
Ltd.

Transitional Management Committee



Vinetta Peek, CMA (Hon),
CMA
President & CEO, CMABC



Richard Rees, FCA
CEO, ICABC



Gordon Ruth, FCGA
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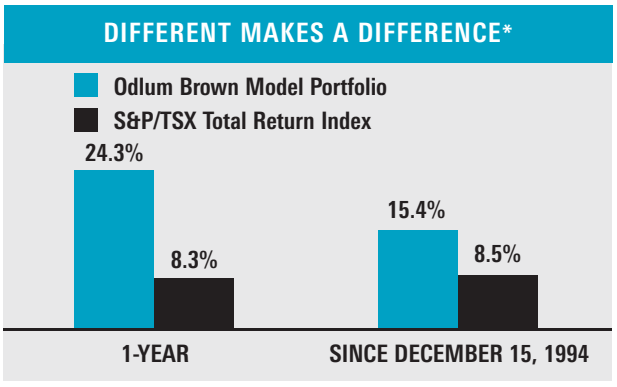
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designations). It is also important to note that both members and firms will continue to be regulated under their respective legacy Acts until new legislation is proclaimed.

This strategy, subject to government support, would allow use of the CPA designation in BC by late fall. In order to meet this target date, all three council/boards and their memberships would need to approve the respective bylaws in September. For both the ICABC and CMABC, a special general meeting would need to be held.

CPA precertification and transition

One of our top priorities is precertification education—successfully transitioning existing students and attracting new students—and engaging and working with our education partners, employers, and post-secondary institutions (PSIs) across BC.

As agreed to nationally, the first CPA Common Final Evaluation (CFE) will be held in September 2015. All legacy programs will be offering their last open final examinations[1] prior to that date—the CA UFE in September 2014, the CMA Board Report in June 2015, and the CGA PACE in September 2015.

We are committed to providing strong student engagement throughout the run-down of the legacy programs, and are actively working to ensure that existing CA, CMA, and CGA students complete their course work through their respective legacy programs.

In conjunction with the running of the three legacy programs, two new CPA programs have been/will soon be launched: CPA Pre-Requisite Education Program (CPA PREP) was launched July 29, 2013, with 164 BC resident students registered[2]; and CPA PEP begins September 21, 2013, with 358 BC resident students registered.[3] The demand for both pilot CPA programs has met and exceeded expectations, and the new nationally developed CPA PEP is being lauded as one of the best accounting programs in the world.

While there is high demand for the new CPA PEP, some of our post-secondary partners that provided access to legacy prerequisites to students are still adjusting to the requirements of the new program. In order to ensure that enough qualified students have access to the new CPA PEP, we have analysed the proposed prerequisite courses for every PSI in BC to measure alignment with the CPA competency map. We have advised PSIs of any gaps in coverage, and will continue to work with schools to ensure that students looking to enter the new program are qualified to do so and have access to the appropriate prerequisites. While this process is ongoing, Module Zero will continue to be available for CPA students who need additional prerequisite coverage prior to beginning the program.

Hand in hand with education is relevant, on-the-job experience, which is why employer engagement is also crucial. Over the coming months, information sessions will be held with employers to discuss the education program and explain the benefits and training requirements of the two experience pathways—the "Approved Path" and "Experience Verification"—both of which are open to employers with existing legacy training positions, as well as to new companies interested in training CPAs.

[1] It is anticipated that there will be some opportunities for candidates who fail these legacy examinations to be afforded an additional attempt.

[2] CMABC is delivering the initial offering of the CPA PREP program.

[3] The CA School of Business (CASB) is delivering the initial offering of the CPA PEP program.

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Member services

While the actual integration of services will take some time, the following changes will be rolled out for CPABC over the fall:

- An online presence, including: a website (**www.bccpa.ca**), corporate social media channels (**twitter.com/cpa_bc** and **facebook.com/cpabc**), and a corporate blog (**blog.bccpa.ca**). On the recruiting side, a website (**www.goCPAbc.ca**), social media channels (**twitter.com/goCPAbc** and **facebook.com/goCPAbc**), and a blog (**blog.goCPAbc.ca**) are now active.
- Integrated monthly e-newsletters are being launched in September that will provide information on professional development, events, and regulatory and standards changes.
- An online publication, *Industry Update*, will be launched in mid-October.
- In terms of professional development, members of all three legacy designations now have full access to the combined CA/CMA program and the CGA program at member pricing. In addition, the *Economic Update* free PD event in December will be a joint PD kickoff event and networking opportunity, and all future free PD events will be open to all legacy members.
- Chapter, special interest group, and other networking events are now accessible to all members. Over the next year, we will work with these groups to review funding, governance, and policy frameworks, and determine how best to integrate these programs.
- CA and CMA members and students, along with their immediate family members, are already entitled to employee assistance services through PPC Canada; as of October 2013, CGA members and students will have access to the same complimentary and confidential services.

Details about other joint member benefits and services will be announced as they become available.

Looking to the future

All three legacy bodies will maintain solid regulatory frameworks and ensure that the legislated responsibilities of each body are met, while moving towards administrative integration wherever possible.

The year ahead will be defined by continuous change, as we strive to create a professional accounting body that: a) protects the public interest and educates students and members to the highest possible standards; b) is open, accountable, and accessible to students and members; and c) respects the past while charting a new and exciting way forward.

Stay tuned! ■

Vinetta Peek is the president and CEO of CMABC; Richard Rees is the CEO of the ICABC; and Gordon Ruth is the CEO of CGA-BC. All three leaders are members of the Transitional Management Committee.



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This Article is Brought to You by the Letter P

We're not just building a new designation, we're selling it to the world

By Edward Downing

Canada will get a formal introduction to the CPA profession on September 17, 2013, when the organization kicks off its branding campaign in national and regional media.

The launch will feature: a series of 10- and 30-second television commercials on national and specialty networks; ads in major newspapers, including the *National Post* and *Globe and Mail*; display boards in airports; and online banner ads. This national launch will be supplemented by a campaign on television and radio throughout British Columbia.



Messaging

The main focus of the campaign is simple: 150,000 of Canada's designated professional accountants are turning "pro." The campaign's creative strategy focuses on the letter "P," with creative copy emphasizing the professional in CPA; examples include: "Pre-eminent = Professional"; "This presentation is brought to you by the letter 'P'"; and "The new CPA designation: The 'P' makes all the difference."

All launch materials will send audiences to **www.proCPA.ca**, where they'll find more information about the CPA designation and learn what CPAs can do for employers and clients. The site will host CPA education program materials, and prospective students will link to recruitment information specific to each province.

Representing BC

There's a strong BC presence in the new campaign. Vinetta Peek, CMA (Hon.), CMA, the CEO of CMABC and a member of the Transitional Management Committee, serves on the national CPA Branding Executive Approval Committee, which is responsible for approving branding recommendations put forward by the National Brand Steering Committee (NBSC)* and the

* The NBSC is made up of communications and marketing staff from CPA Canada and the regions. It includes representation from all of the legacy designations. British Columbia is represented by Kerri Wilcox, the director of external affairs for the ICABC, and Diane Chung, CMA, the vice-president of marketing & new business development for CMABC.

national ad agency, One. The NBSC based its recommendations on extensive research, including focus group testing for creative concepts with the target audience and members of each body.

"The branding team had very clear goals," says Peek. "We wanted to create awareness of, and respect for, the Canadian CPA as the pre-eminent accounting and business designation. In addition, we are seeking to bolster public opinion about the accounting profession, transferring the reputation of the three legacies to the new designation.

"We have an incredible campaign," Peek continues. "It is going to show members, businesses, educators, students, and the public at large that there is a new professional designation on the scene ready to represent our country with pride."

Recruiting

The campaign will continue to support recruiting efforts by making the CPA designation attractive to students who are considering careers in business.

Starting this fall, CPABC will be involved in more than 100 events around the province as we work to recruit students for the new CPA PEP and CPA PREP education programs.

Recruiting staff in BC have been active on campus for the past few months, and their work is ongoing. Recruiting will leverage the national ad campaign, and advertising and other promotions will take place on campus. In addition, there will be advertising and events tailored to prospective students already in the workforce.

The on-campus campaign directs students to **goCPAbc.ca**, a BC-specific student recruitment and resource website.



Harnessing the brand power of members

Building a new brand ultimately depends on individuals like you—the members of CPABC—to advance the message and promote our new designation.

As Peek told attendees at the joint BC council/board retreat held in July (see pages 6-7): "We want you, as a brand ambassador, to talk about what CPA is from your own heart and [in your own] words… We are the brand—every last one of us—and we are going to live and breathe that brand."

A key element of the campaign is to instil member pride as we work to build the CPA designation. According to Peek, pride in the new brand and designation has been both palpable and contagious at the pre-launch events she has attended. In terms of marketing, this sense of pride—felt at both an individual and collective level—is extremely attractive to those outside the organization. In fact, it has the potential to take CPA's introductory campaigns viral. ■

Edward Downing is the director of communications and marketing for CGA-BC.



Trevor Bennington is a senior manager in US and cross-border taxation services at Facet Advisors LLP in Langley.

US Income Tax Exposure for Canadian Businesses

By Trevor Bennington, CA

As US governments at both the federal and state levels seek to mitigate ever-growing budget shortfalls, they are increasingly—and aggressively—looking to Canadians who earn revenue from within the United States as a potentially significant source of tax revenue.

US federal income tax: the PE factor

Under the Canada-US income tax treaty,[1] Canadian taxpayers generally must have a US permanent establishment (PE) before their business profits become subject to US federal income taxes.

Canadian business owners and/or their advisers, will generally understand what constitutes a typical PE: some form of physical footprint in the US—whether it's a brick and mortar storefront, an office, or a factory. Many will be aware that there are likely to be tax ramifications associated with this physical footprint. What might trip up taxpayers and/or their advisers are the less conventional forms of PEs. These include:

1. **Deemed "Services PE"**: A Canadian company providing services in the US may be deemed to have a PE despite lacking a physical footprint. Generally, this will occur where the service provider is spending a lot of time in the US (more than 183 days in a 12-month period), and either: a) more than 50% of the taxpayer's revenue is attributable to that US activity; or b) the entire time in the US is spent on the same project for a US-based customer.
2. **Project-based PE:** Maybe it's not your physical footprint, but one that you're building or installing for your customer. Even so, if you spend more than 12 months on this project (including down time), the profit on your services may be exposed to US federal taxation.
3. **Agency PE:** Does your company have sales people in the US who are authorized to close contracts with your US customers? Do they regularly exercise this authority? If so, the resulting profits may be subject to US taxation.

Understanding these nuances is the first step to understanding potential exposure to US federal tax.

State income tax: nexus and Public Law 86-272

Some Canadian taxpayers with revenues from US sources rarely, if ever, enter the US beyond the occasional trip to visit a key client, make a repair, or attend a trade show. This could lead them to believe that they're protected from US taxation and the burden of US compliance... but are they really?

It is important to understand that the US-Canada income tax treaty is ultimately a *federal* document that dictates the application of *federal taxes*. States are under no compulsion to follow the treaty; some do, but many more do not. As a result, a Canadian business that is exempt from US tax at the federal level can still have a significant state tax liability.

Absent the PE test imposed by the treaty for federal taxes, states employ a "nexus" concept, which provides them with a much lower threshold to tax. Nexus occurs where a non-resident taxpayer has a sufficient level of business contact with, or derives a sufficient level of economic benefit from, a state such that the state is constitutionally permitted to tax that non-resident.

There are a myriad of ways to create nexus with a state, with each state setting its own threshold as to the degree of activity that might render a non-resident taxable. Have you made an in-state installation, delivery, or repair? You probably have nexus. Have you accepted a deposit, made a credit check, or negotiated a loan while in a state? You probably have nexus. Have you stored inventory or attended more than one trade show in a state? You probably have nexus. The list goes on and on, and varies depending on the state in which an activity takes place.

[1] *Canada-United States Tax Convention (1980).*

Economic nexus

Until recently, some form of physical contact was necessary for nexus to be established. With the advent of "economic nexus," however, a Canadian-based company could have a potentially significant state tax liability despite never having set foot outside of Canada. Economic nexus essentially enables a state to tax an out-of-state business that has no physical presence whatsoever in the state, provided that a sufficient level of economic benefit has been derived from the state by the non-resident taxpayer.

Many states now include some form of "economic presence standard" in their statutory definition of income tax nexus, and legislate a factor-based, or "bright line" nexus standard (including but not limited to California, Colorado, Connecticut, Michigan, and Ohio).

In an effort to promote uniformity among states, the Multistate Tax Commission (MTC) adopted a model statute, *Factor Presence Nexus Standard for Business Activity Taxes*,[2] that calls for nexus to be established if the lesser of any of the following in-state thresholds are exceeded during a tax period:

- $50,000 of property;
- $50,000 of payroll;
- $500,000 of sales; or
- 25% of a company's total property, payroll, or sales.

Note, however, that while some states with economic nexus have adopted the MTC standard (California, for example), others have not; Michigan, for example, will apply economic nexus at a threshold of $350,000 in sales if the taxpayer actively solicits business there. So although the MTC did create this standard to promote uniformity, the standard has not, as of yet, been adopted by all states.

[2] The statute came into effect on October 17, 2002.

Public Law 86-272

Public Law 86-272 (PL 86-272) was introduced as a stop-gap measure in 1959. PL 86-272 prohibits a state from imposing a net income tax if a company's in-state activities are strictly limited to the solicitation of orders for sales of tangible goods that are sent outside the state for approval and are filled from outside the state.

While PL 86-272 does offer some protection from income taxes, it has certain key limitations of which Canadian companies must be aware:

1. PL 86-272 only applies to *income tax*. Certain states impose a non-net income-based tax from which this law provides no protection.
2. PL 86-272 applies solely to the sale of tangible goods. If any services are provided or intangible goods are involved, the public law protection does not apply.
3. PL 86-272 does not explicitly apply to corporations that are incorporated outside the United States. Each state holds the power to extend—or deny—this protection to non-US corporations. Certain states, such as California, have explicitly denied PL 86-272 protection to non-US resident taxpayers.

Understanding exposure is key

Given the US government's increased scrutiny of non-residents who may be doing business in their country, it may seem that the simplest way to avoid a US tax issue is to avoid the United States entirely. For many businesses, however, it will not be in their best interests to do so; for these businesses, the best approach is to stay on top of US tax obligations. And as Canada will generally allow a tax credit for foreign income taxes paid, US tax obligations generally won't increase a company's overall tax bill—they'll just alter who gets those tax dollars. ■

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Stephen Miller has more than 25 years of experience providing assurance services under IFRS, ASPE, and US GAAP. He has authored the revenue recognition courses offered by provincial CA institutes across Canada since 2008 (IFRS) and 2012 (ASPE), and has led workshops for both the CICA and ICABC for more than 10 years.

ASPE Revenue Recognition: The Added Importance of Professional Judgment in a World Without EICs

By Stephen Miller, CA, CPA (Illinois)

It's hard to believe that it has already been more than two years since privately held entities in Canada began applying Accounting Standards for Private Enterprises (ASPE). For most entities, the move towards more principles-based guidance has been a welcome one, as less prescriptive guidance generally means fewer rules to memorize and more opportunity to exercise professional judgment when identifying solutions tailored to specific facts and circumstances. But the beginning of this exciting new era also saw the withdrawal of the Emerging Issues Committee's abstracts (EICs), many of which dealt with revenue-related topics.

In case you've never paused to reflect on the magnitude of this change, consider this: Under the old Part V Generally Accepted Accounting Principles (GAAP), more than 33,000 words of guidance were provided in *CICA Handbook* section (*CICA*) 3400 and the five or six significant EICs dealing with revenue-related topics. Under ASPE, this guidance has been reduced to fewer than 3,000 words, all in section 3400—a decrease of over 90%!

So what does this all mean? Well, one thing is clear: With so much less guidance, professional judgment will play an even more critical role whenever companies seek to establish a new policy or change an existing policy in accordance with *CICA* 1506.06. Despite the fact that the fundamental principles remain unchanged, it is at least conceivable that additional acceptable alternatives may be found under ASPE that would not have been sustainable under the more detailed guidance of Part V, International Financial Reporting (IFRS) or US GAAP. That being said, there are a few important things to keep in mind when recognizing revenue under ASPE.

Avoid a checklist mentality

When it comes to applying *CICA* 3400, there are no checklists involved. While paragraph 8 provides some examples of factors a company would consider when determining whether persuasive evidence of an arrangement exists, it concludes by stating that "other characteristics may exist" and "judgment is necessary." Similarly, paragraph 9 lists some of the aspects of delivery that an entity would consider when determining whether delivery has occurred, but tells us nothing about how these aspects should be evaluated, or what additional aspects might need to be considered.

Moreover, paragraph 11 tells us: "… in certain circumstances, it is necessary to apply the recognition criteria to the separately identifiable components of a single transaction in order to reflect the substance of the transaction." In addition to determining what those "circumstances" are, we must: determine which elements of the arrangement might constitute separately identifiable components; identify the substance of each transaction; and decide which possible treatment is most consistent.



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There are many other areas where professional judgment plays a critical role with respect to revenue recognition, including determining whether the significant risks and rewards of ownership have transferred, whether reasonable assurance exists regarding the measurement of consideration, and identifying the "significant acts of performance." *CICA* 3400 provides few details on how these questions should be answered, as the answers will depend on circumstances specific to each transaction.

Exercise your professional judgment

Imagine you're faced with a challenging revenue recognition problem. A customer has approached you wanting to purchase 50 units of product, but doesn't want to take immediate delivery. They are willing to pay for the product in full when the order is placed, and you almost always carry at least 100 units of finished product at any given time. You know that under *CICA* 3400, delivery is generally not considered to have occurred until "… the product has been delivered to the customer's place of business or another site specified by the customer." But you also know that paragraph 9 says you must consider any "bill and hold" aspects of the arrangement when deciding whether delivery has occurred. ASPE does not provide detailed guidance to help you evaluate whether it may or may not be appropriate to recognize revenue in this situation, so you must rely solely on your understanding of the substance of the arrangement and your professional judgment when determining whether the basic revenue recognition criteria have been met.

When additional guidance is needed to apply *CICA* 3400 to specific circumstances, the ASPE GAAP hierarchy reminds us in *CICA* 1100.06 of the need to refer to other sources when selecting policies and disclosures consistent with the primary source. IFRS includes several specific criteria to be met before recognizing revenue on bill and hold transactions. US GAAP includes even more detail, providing important conceptual criteria (still no checklists!), which, in some cases, differ slightly from the corresponding IFRS guidance. But is it necessary to comply with either of these alternative GAAP sources when reporting under ASPE? The short answer is "no."

Prudent practitioners may consider the insights offered by IFRS and US GAAP on bill and hold transactions when exercising their professional judgment, but they are not required to comply with these insights, as stated in paragraph 20 of *CICA* 1100: "… it is not necessary to *comply* with Part I or with pronouncements issued by other bodies in order to comply with accounting standards for private enterprises."

continued on page 28

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Stephen Miller, CA, CPA (Illinois), will be presenting a half-day course entitled, ASPE – Revenue Recognition, in Vancouver on December 5, 2013. For more information, and to register, please go to **www.icabc-pd.com**.

Consider both your current and future needs

Your company may be privately held today, but will it always be that way? Are you considering an initial public offering in Canada? If you are, then you would do well to consider whether there are any policy and disclosure choices available that meet the requirements of both ASPE and IFRS. Similarly, if you are contemplating becoming an SEC registrant in the next two or three years, you would be wise to determine whether there are choices you can make today under ASPE that will also satisfy the more stringent requirements promulgated by the US Securities and Exchange Commission. I can imagine how disappointed many CEOs and boards of directors might be after launching a strategically timed IPO only to find out that a significant portion of their historical revenues must be reversed in order to comply with the IFRS or US GAAP accounting requirements applicable to bill and hold transactions! In short: Taking your future needs into consideration today may save you considerable stress and effort down the road.

Leverage off your existing professional relationships

Not all privately held entities have a relationship with an audit firm, but for those that do, these firms can act as valuable sounding boards—particularly if their involvement is sought on a timely basis.

I am aware of one particular instance where a company believed they had satisfied all necessary conditions for revenue recognition under ASPE. But while the company considered their remaining obligations to be insignificant, their auditor disagreed. Such is the nature of professional judgment: Two equally qualified individuals with similar experiences may act in good faith and yet still disagree. Ultimately, of course, the financial statements are those of the company, but a protracted disagreement with an auditor can be distracting, unproductive, and costly. In this case, the company should have involved their auditor in the discussion sooner to reap the benefits of their expertise.

The moral of the story

Following the withdrawal of the EICs, there is much less detailed guidance on revenue recognition available today under ASPE than existed previously under old Part V GAAP. This dearth of guidance provides much greater room for practitioners to exercise professional judgment. With a solid understanding of the basic requirements outlined in *CICA* 3400, an appreciation for the role of other GAAPs and reference sources in the ASPE hierarchy in *CICA* 1100, awareness of both current and future needs, and a willingness to leverage off the wealth of experience within your professional network, success awaits. ■

CONFERENCE 2013

SEPTEMBER 18-22 Whistler Conference Centre and the Hilton Whistler Resort

HIGHLIGHTS:

- Unscripted panel discussion featuring CBC's *At Issue* panelists, Andrew Coyne, Chantal Hébert, and CBC's Ian Hanomansing
- Pollsters Darrell Bricker and John Wright share insight about "What Canadians Think About Practically Everything"
- For a complete listing of all 22 PD seminars, visit www.cga-bc.org
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Michael Morrison is the chief of staff at Canadian Forces Base Esquimalt. In addition to his CMA, he has an MBA with a specialization in leadership.

Managing the Work of Others

By Michael Morrison, CMA

Effective managers know what needs to get done, how much time and effort it will take, and how their team's work will contribute to corporate goals. Sometimes, however, effective managers don't notice when a team member stops focusing on assigned work, and focuses instead on the aspects of their job they enjoy most. This can be a real problem, and it happens more than you might think.

Fact is: People often try to find ways to make their job fit them better so they can feel gratified. But if an individual continues to produce stellar work, is this shifting of priorities really a problem?

Let's use the example of a gardener. A company is hired to do the landscaping outside an office building. To start, the man the company pays to cut the lawn (we'll call him "Joe") comes by and cuts the lawn. While there, he also tidies up the garden a bit, raking some dead leaves and pruning some stray branches. When his supervisor comes by, she notices what a good job he has done and compliments him on the garden. He feels gratified.

The next time he comes by to cut the lawn, Joe spends a little more time on the garden. In fact, he decides the garden isn't looking very good, and since he likes gardening anyway, he tidies it up a bit more. Wow! What a difference it makes.

Every week, Joe does a bit more work in the garden—fertilizing, trimming, raking, pruning... After a year, a lot of people begin to compliment him for the work he has done. Joe is happy, and when word gets back to his supervisor, she's happy too.

There's just one thing. When winter turns to spring, Joe sees the damage the cold weather has done to the gardens and realizes it will take a lot of work to get the garden looking beautiful again. His supervisor comes to check in with him, and agrees that it sounds like a lot of work. She asks if there's anything she can do to help. Joe tells her he really could use an assistant—someone to mow the lawn.

This is an example of a worker who made small, gradual adjustments to his work so he could focus more on the parts of his job he liked to do. Sometimes, as in this case, managers don't even notice when an individual makes little changes such as these, because the work they are doing also adds value.

Nevertheless, it is a manager's responsibility to manage both the people and the work—and to make sure assigned work is getting done first. If other work is more important, the manager can change the assignment of work.

The key point to remember is that it is the manager who assigns the work, and not the employee who gets to choose what they work on. The most successful managers I know make sure their people know what the priorities are, and then give them freedom to work as long as these priorities are met. They manage this process with ongoing performance conversations.

The next time you're managing someone, make a short list of the work you have assigned, both implicitly and explicitly. Then compare this list to the work being done. After consideration, either update the assigned work to better match the skills of the worker, or refocus the worker on assigned work. As long as you make a decision, you're performing the role you should as a manager. ■



Member Statistics*

There are **27,073** certified members in BC, representing about 16% of the 170,000 designated accountants in Canada.

7% of BC's designated accountants are under 30 years old.

#2 The Chartered Professional Accountants of BC will be **the second largest** professional association in BC after the College of Registered Nurses of BC, which has 35,410 members.

Almost half **(49%)** of BC's designated accountants are 31-50 years old.

Number of accounting students in one of the **CA**, **CGA**, and **CMA** legacy programs in BC: **7,492**

Public practice numbers:

15% of partners are under 40 years old.

Number of public practice partners in BC: **3,134**

THERE ARE **2,032** **CA**, **CGA**, and **CMA** offices licensed to practice public accounting in BC.

Future CPAs:

CPA students registered for module five – Intermediate and Advanced Financial Accounting in the CPA Prerequisite Education Program (CPA PREP): **164**

358 CPA candidates are registered in the CPA Professional Education Program (CPA PEP) starting September 2013.

First CPA graduates are expected in the fall of **2015**

Top sectors in which BC members work:

- **50%** Industry
- **22%** Public practice
- **10%** Public sector and crown corporations
- **2%** Education
- **16%** Retired/other

Infographic by Linda Mitsui, Profile Design Group.

*Membership statistics as of March 31, 2013.

HIGHLIGHTS FROM THE FALL 2013 ICABC/CMABC PD PROGRAM

We have another great selection of seminars to choose from this year. Our fall 2013 PD program is now available on our website at **www.icabc-pd.com**. We are offering more than 200 titles, including 42 new ones, as well as over 370 scheduled seminars. Here are some highlights:

PD Weeks 2013

Kelowna	Nov 4-8 | Ramada Hotel
Parksville	Oct 21-25 | Quality Resort
Surrey	Nov 4-8 | Comfort Inn
Vancouver	Nov 18-23 | VCC West
Victoria	Oct 28-Nov 1 | Vic Conf Ctr

PD Outside the Lower Mainland

In addition to seminars held during the PD Weeks above, we have also scheduled multiple seminars throughout the fall in Abbotsford, Kamloops, Kelowna, Parksville, Prince George, Surrey, and Victoria. Check **www.icabc-pd.com** for titles.

ICABC PD Passports

Don't forget to purchase one of our PD Passports to enjoy incredible savings on either classroom or online seminars! Valid for ICABC/CMABC PD seminars held between September 1, 2013 and July 31, 2014, these PD Passports entitle you to six days of passport-valid seminars, and can significantly reduce your training costs.

The **Personal PD Passport** is non-transferable, and is suitable for individuals who want to attend multiple seminars. The passport straddles two CPD reporting years, making it economical to meet reporting requirements. The **Flexi PD Passport** is perfect for companies or groups of individuals who want to share passport days. You can purchase as many passports as you require.

Fall Conferences

Local Government Accounting and Auditing

Offered in conjunction with the GFOABC.

This conference will enable practitioners and auditors to get up to date on best practices, discuss the issues, and exchange ideas. Participants will gain knowledge of the latest accounting and auditing standards.

Nov 7-8, 8:30am-4:30pm
Four Seasons, Vancouver

Members in Business and Industry PD Day

This popular conference provides a highly efficient way for members in industry to obtain practical information for use in the workplace. This year's conference will include plenary sessions on the economic outlook and successful strategies, as well as break-out sessions on creating growth, navigating social media, technology highlights, emotional competence, and tax and accounting updates.

Dec 10, 8:30am-5pm
Vancouver Convention Centre West

New Titles This Fall

Accounting & Assurance
Risk & Control for Medium and Larger Sized Entities – *Dec 2*
The Micro Audit – *Nov 21*

Finance
Corporate Finance – *Oct 25*
Creating Value with M & A – *Nov 1*
Financial Modeling – DCF Valuation Analysis – *Nov 19*

NPOs
Non-Government Controlled NPOs—Financial Statement Presentation & Note Disclosure – *Oct 23, Nov 21*

Practice Management
Creating a Professional Online Presence for Your Practice – *Nov 8*
Finding and Keeping Great People – *Dec 5*
Partner Bootcamp – *Dec 6&7*

Communication | Negotiation
Communication Mastery – *Oct 21*
Effective Speeches & Presentations – *Dec 5*
How to Handle Intense Emotional Situations – *Nov 25*

Controllership | Management Accounting
COSO Undone – *Dec 3*
Mgmt Accounting Refresher – *Nov 7, Nov 20*
Project Management – *Dec 6*

Human Resource | Legal
The Elder Client: A Legal Perspective – *Oct 23*

Leadership & Personal Development
Leadership & Coaching – *Dec 2*
Master Burnout & Navigate Conflict – *Nov 18*
Networking for Success – *Nov 27*
TGI Monday: How to Double Your Work Productivity & Satisfaction – *Nov 19*
The Poison of Perfectionism: Why Excellence is a Healthier Target – *Dec 4*

Information & Business Technology
CaseWare GAAP Financial Statement Template – *Sep 13, Oct 25, Nov 8, Nov 22*
Creating Vibrant Dashboards – *Oct 18*
Data Analysis Expressions in PowerPivot – *Nov 22*
Excel Best Practices – *Dec 5*
How to Present Financial Data Effectively Using PowerPoint – *Nov 7*
Managing Financial Data with Excel – *Nov 20*
Small Business Internal Controls – *Nov 27*

Taxation
Deductible Expenditures – *Oct 22*
Income Taxation of Portfolio Investments for Individuals – *Oct 29*
Introduction to Canadian Domestic Mining Taxation – *Nov 18*
Shareholders' Agreement: Legal & Tax Considerations – *Nov 13*
Tax Issues for First Nation Organizations – *Oct 28, Nov 12*
Tax Issues in Shutting Down a Corp. – *Nov 13*

Strategic Mgmt Certificate Program

This four-part certificate-based program focuses specifically on the critical components of leadership and strategy:

Mod 1: Strategic Planning
Mod 2: Risk Management & Governance
Mod 3: Team Development
Mod 4: Change Management

See **www.icabc-pd.com** for description and dates.

HIGHLIGHTS FROM THE FALL 2013 CGA-BC PD PROGRAM

To access CGA-BC's complete fall PD program and register for seminars, visit **www.cga-bc.org/pd** or contact Allyson Hayward at 604.637.6801 or ahayward@cga-bc.org. Here are some highlights:

NEW: 5 Dimensions of an Authentic Leader

Authentic leaders are transformational individuals who can motivate other people to leave their mark. This seminar will provide a blueprint and effective models to help you build authenticity as a leader.
Oct 3, 1:00-4:30pm, Victoria

Developing Your Strategic Plan*

This seminar will examine the many different aspects of strategy and how to employ the latest thinking on strategy development to your business, and will apply recognized thought leadership to current examples in strategy development.
Oct 21-22, 9:00am-4:30pm, Vancouver

Coaching for Executive Excellence*

Great leaders build confident, self-sufficient teams. A core competency of leadership is coaching, which is becoming the management style of choice. This seminar will provide valuable coaching techniques.
Oct 28-29, 9:00am-4:30pm, Vancouver

Leading Change*

Research indicates that 70% of organizational change initiatives fail to achieve their goals. This fast-paced, practical seminar will provide you with approaches to leading change effectively at every level so you can make an even greater positive impact on the success of your organization.
Oct 25, 9:00am-4:30pm, Vancouver

Implementing Your Strategic Plan*

According to a recent survey by *The Economist*, 57% of the senior executives of large North American companies are unsuccessful when implementing their strategies. What gets in the way? This seminar will identify the critical attributes for successful strategy execution.
Oct 30-31, 9:00am-4:30pm, Coquitlam

Costing and Decision-Making for Controllers

This program complements the three-day Essentials of Controllership Program, and covers topics in the Costing and Technology and Systems volumes of the *Carswell Controllership Guide*. It will provide a brief review of the controller's role, and then examine more advanced issues.
Dec 9-10, 9:00am-4:30pm, Vancouver

Essentials of Controllership

This program is based on the Planning and Reporting and Control volumes of the *Carswell Controllership Guide*. This seminar will focus on the overall accountability and responsibility in a typical controllership role, especially in small to medium-sized enterprises.
Oct 17-19, 9:30am-4:30pm, Vancouver

Locations:
Victoria -Marriott Inner Harbour, Oct 2-5
Kelowna - Ramada Hotel and Conference Centre, Oct 24-26
Nanaimo - Coast Bastion Inn, Dec 5-7

NOVEMBER PD SERIES 2013

Our November PD Series will take place at the Pan Pacific Hotel in Vancouver, from **Nov 18-29, 2013**.

From Controller to CFO*

The role of controller can vary from a functional position to a larger role as a member of an organization's management team. This seminar will address that next step, where the role of controller moves away from day-to-day accounting details to a higher strategic level involving owners, regulators, and the board.
Nov 20, 9:00am-4:30pm, Vancouver

*Qualifies for the Certificate in Executive Leadership

Global Social Responsibility*

This seminar will define sustainability as it relates to business behaviour in regards to the environment, the economy, and society. It will appeal to financial professionals who are focused on the need to increase accountability to shareholders and the public.
Nov 21, 9:00-4:30pm, Vancouver

NEW: Lead from Your Strengths – SDI Part II

(Pre-requisite: SDI® – Lead from Your Strengths: Strength Deployment Inventory-SDI Part 1 or Leading with Authenticity.) According to Relationship Awareness Theory, weaknesses are behavioural traits that are intended to serve as strengths, but create an undesirable result. This seminar will explore why overdone strengths fail to achieve their intended outcomes and what can be done about it.
Nov 25, 9:00am-4:30pm, Vancouver

Power Presentations for the Executive Leader

Those who master public-speaking skills can soar to the top of their careers, while those who continue to hide behind their fears are destined to underachieve. This seminar will cover the simple step-by-step formulas to crafting a speech, designing a dynamic and complementary introduction speech, and creating comprehensive and riveting office presentations.
Nov 27, 9:00am-4:30pm, Vancouver

Sustaining Strategic Initiatives – Maintaining Employee Focus on Vision, Strategy, and Values*

This workshop will help leaders align organizational culture with vision and strategy, maintain employee focus on the big picture, and build competitive advantage through people. It is designed for leaders at all levels—from front-line supervisors to senior executives.
Nov 29, 9:00am-4:30pm, Vancouver

A chat with Peter Norwood, FCA, FCMA, about the new education program



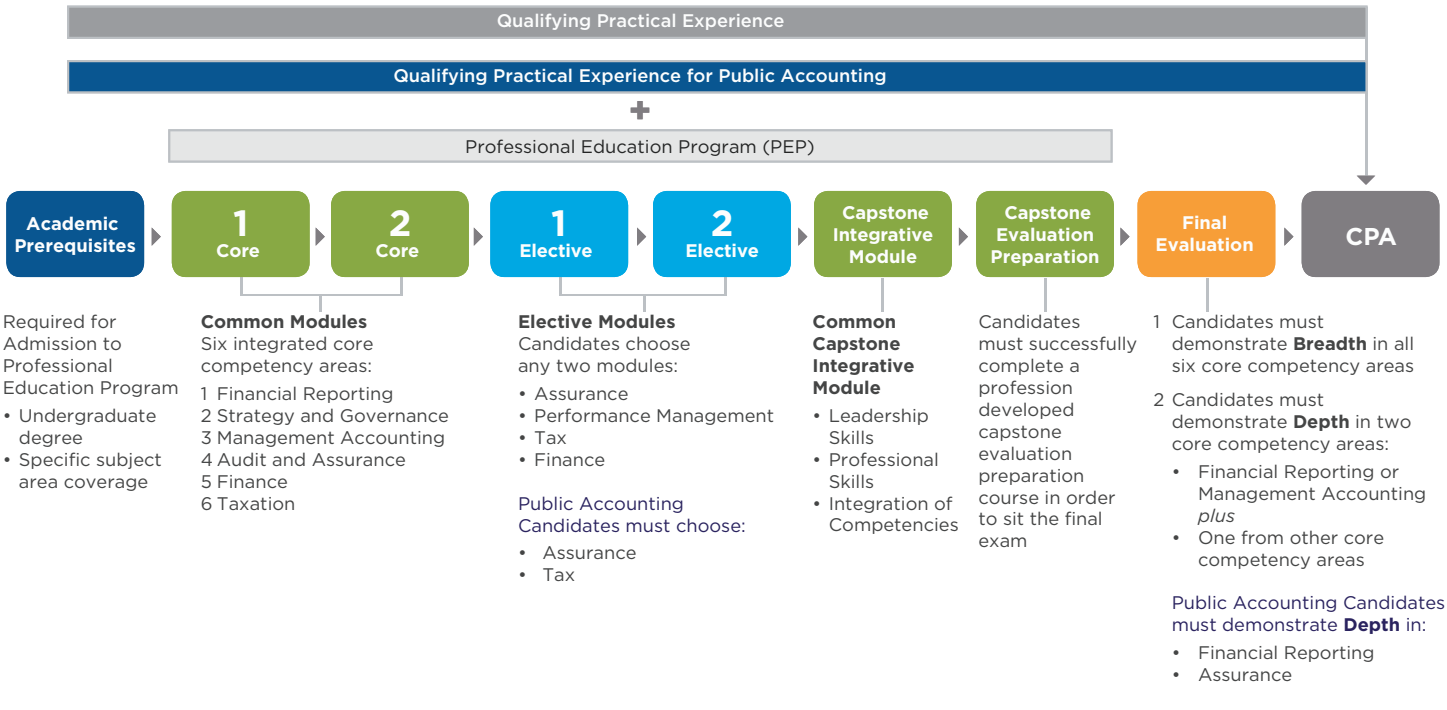
Photo of Peter Norwood by Clancy Dennehy.

What is the general overview of the new CPA Professional Education Program?

All CPA candidates will take two common core modules that develop competencies in management and financial accounting. These two core modules integrate the six core technical competency areas: 1) financial reporting; 2) strategy and governance; 3) management accounting; 4) audit and assurance; 5) finance; and 6) taxation.

Candidates will then begin two elective modules, which allow them to develop deeper skills in their areas of career interest. Candidates can choose any two modules from the four electives: assurance, performance management, tax, and finance; however, anyone wanting to pursue a career in public accounting must take the assurance and tax modules. The two elective modules are followed by a capstone integrative module that focuses on the development of the enabling competencies, such as leadership and professional skills, and the integration of core competencies.

CPA Certification Program



Finally, candidates will have to complete a capstone examination preparation module that prepares them for the Common Final Examination—a multi-day exam where candidates must display both *breadth* in all six core competencies and *depth* in two core competency areas. It's an incredibly rigorous program, and I think it will further the education of accounting in this country.

The CPA Education Program seems to be very comprehensive. How does it stack up against the legacy programs?

The competencies required in the new program are at a level that exceeds any of the three existing programs. We have broadened the required scope for CPA candidates, and that probably makes it a little bit more difficult than all of the legacy programs.

We require candidates to show depth in their primary areas in the two electives they choose, and in financial or management accounting. So, if the program is more difficult, it's because of the breadth of knowledge required. That said, this program is very doable over a 30-month period. Candidates will be well supported by a state-of-the-art technology platform, by face-to-face and online sessions with facilitators, and by other resources that are being integrated into the program. I think CPA candidates will have an excellent chance of success.

How is the Canadian CPA different from the US CPA?

The Canadian CPA education program is at a higher level because our competency map was developed and built on the strengths of all three legacy programs. Our competency map is more comprehensive than that of the US CPA education program. Also, we provide the opportunity for candidates to gain practical experience in a wide range of activities, and that's a real benefit as well.

"I think CPA candidates will have an excellent chance of success."

How will CPA be the pre-eminent accounting and business credential?

When we began putting the CPA professional program together, we looked at the competency maps for all three of the legacy bodies and asked: "What skills do our candidates need to have when they graduate from this program? What are the competencies that business needs?" I don't think there's another program that's as comprehensive in the two areas we consider to be most important: accounting and finance. And the additional focus on soft enabling skills, like leadership and professionalism, will serve employers well.

The appeal for candidates is that they can take various electives, so they don't all have to take the same path. But they will have the same core competencies, and will be evaluated to the same level regardless of the paths they choose. So I think we've been able to create an excellent model for candidates going forward—one that's targeted at finance and accounting, and provides the business community with strong advisers and potential future leaders. ■

Peter Norwood a professional educator who teaches at the Sauder School of Business and Langara College. He is the current chair of the CA School of Business, and was a member of the CPA Certification Steering Committee, which was responsible for developing the new CPA Professional Education Program.



Kudos!



Allan Achtemichuk, CMA, is the vice-president, Delta operations for Associated Brands LP. Allan was previously the CFO of North American Tea Coffee Inc., which was recently acquired by Associated Brands.



Drew Collier, MBA, CMA, is now president of corporate services for LGM Financial Services Inc. Before joining LGM, Drew was the chief administrative officer with development and alumni engagement at the University of British Columbia.



Doug Eveneshen, CGA, president and CEO of Community Savings Credit Union, has been elected vice-chair of the board of the Royal Columbian Hospital Foundation. Doug previously served as a board director.

Hal Irwin, CA, chair of Philbrooks Boatyard in Sidney, has joined the board of directors of Beacon Community Services. The non-profit organization provides social, employment, recreation, housing, and volunteer services.

Mike MacPhee, ACI, CGA, was elected chair, president, and dean of the Credit Institute of Canada (CIC) at the annual general meeting held in Jasper, Alberta on June 13, 2013. The CIC was created by a special act of Parliament in 1928, and is the only Canadian organization that grants the official designations of CCP and ACI to professionals in the credit field.



Natascha Mayer, CMA, has been promoted to vice-president, finance at Blast Radius Inc. Natascha previously served as the company's corporate controller.

Darren Munnich, CMA, has taken on the role of president at Sysco Food Services in Edmonton. Previously, Darren was the senior vice-president and CFO with Sysco Food Services in Vancouver.



John Pankratz, FCGA, has been appointed as a member of the board of University of Fraser Valley for a term ending July 31, 2014.



Simon Philp, FCMA, has returned to Victoria as director and team leader of CIBC Commercial Banking. Previously, he was vice-president of the corporate banking group for HSBC Bank, North America in Seattle. Simon is also the first vice-chair of the CMABC board of directors.



Cheryl Wenezenki-Yolland, FCMA, was recently appointed the associate deputy minister of the BC Ministry of Finance.

Do you have an announcement you'd like to share in an upcoming issue of CPABC in Focus? *Email us at:* ***info@bccpa.ca***

In Memoriam

We wish to send our condolences to the family and friends of George Stekl, CA, who recently passed away.

George was born in Brasov, Romania, and grew up in Vancouver, BC, where he graduated from Prince of Wales Secondary in 1952. He studied at the University of British Columbia for one year before transferring to the University of Toronto, where he earned a degree in aeronautical engineering.

After moving back to Vancouver, George began his CA articles with Helliwell MacLachlan. In 1962, he became the first candidate from BC to receive the Governor General's gold medal for scoring the highest marks in Canada on the UFE. He subsequently worked for two years in Toronto at Clarkson Gordon before returning permanently to Vancouver, where he joined McDonald Currie & Company (later Coopers & Lybrand). George became a partner in 1969. Later, he formed Somerset Consulting.

George was a lifelong walker and hiking enthusiast who also enjoyed cross-country skiing, cycling, and golf. He was a voracious reader as well, and retained a passion for engineering throughout his life. George passed away on July 6, 2013.

Call for FCA Nominations

Each year, CAs are asked to identify peers who have provided outstanding service to the profession and/or brought distinction to the profession, and to nominate these individuals for election to the ICABC Fellowship. To download a PDF version of the FCA nomination form, please go to **www.ica.bc.ca/pdf/fca_nomination.pdf**. For a hard copy of the form, contact Sandy Parcher, manager of the Institute's Executive Office, at **parcher@ica.bc.ca** or 604-488-2602. Nomination forms must be received at the Institute office no later than October 15, 2013.



Congrats to four recent Simon Fraser University executive MBA grads!

- Stephen Au, CGA, completed an MBA capstone study project entitled: Shepherd Middle Office Solution.
- Kelly Meinema, FCCA, CGA, completed an MBA capstone study project entitled: Adding Value in Business Utilizing Social Media, and earned a graduate certificate in business in the Americas.
- Johnson Ng, ACCA, CGA, completed an MBA capstone study project entitled: Brazil, Innovation Policies a Path to Growth, and earned a graduate certificate in business in the Americas.
- Anita Stepan, CGA, completed an MBA capstone study project entitled: Massive Open Online Course (MOOC) Disruptive Impact on Higher Education.



2013 ICABC Member Recognition Dinner

On June 26, 2013, the Institute held its 13th annual Member Recognition dinner and awards ceremony to recognize CA achievement. ICABC honourees and their family members, friends, and peers, joined Council members and Institute staff to celebrate at the Fairmont Hotel Vancouver.

Photos by Kent Kallberg of Kent Kallberg Studios Ltd.
To view more photos from the event, visit our online gallery at:
www.flickr.com/cpabc.

The ICABC's 2012-2013 award winners (from left to right) – Standing: Bob Moysey, CA (Community Service); Bob Gayton, FCA, Ph.D. (Lifetime Achievement); Kelvin Lum, CA (Community Service); Grant Smith, CA (Community Service); Janet Woodruff, FCA; Paul Hamilton, CA (Community Service); Bob Chong, CA (Community Service); Bill Humphries, FCA; Victor de Bonis, FCA; Greg Smith, CA (Early Achievement); Jennifer Tokarek, CA, TEP (Early Achievement); John Dawson, FCA (Lifetime Achievement); Dave Mitchell, FCA; and Andy Yu, CA (Community Service). Seated: Amy Lam, FCA; Jack Yolland, FCA; Lisa Ethans, FCA·CBV; Peter Norwood, FCA, FCMA (Ritchie McCloy Award); Karen Christiansen, FCA; Ron Thiessen, FCA; Shan Thomas, FCA; and Jonathan Kallner, FCA. Not present: Vern Blair, FCA; John DeLucchi, FCA; John Doyle, FCA; Bill McFetridge, FCA; Randy Strandt, CA (Community Service); Brooke Wade, FCA; and Vivian Zalkow, FCA.



Jack Yolland (right) receives a standing ovation as Gord Holloway, FCA, presents the inspiring 93-year-old with his FCA certificate.



Newly elected FCA Lisa Ethans, with spouse Paul Del Rossi.



Good friends Bill Humphries, FCA (front row, second from left) and Lifetime Achievement Award winner Bob Gayton, FCA, Ph.D. (front row, right), with their families.



Jonathan Kallner, FCA (left), with his family.



Community Service Award winner Andy Yu, CA, with wife Stella Yu, CA.



The colleagues of Dave Mitchell, FCA, arrange his conveyance to the stage.



Victor de Bonis, FCA (centre), with his family, including his namesake Victor de Bonis Sr.



ICABC President Karen Christiansen, FCA (left), and Nikki Katz, CA (née McCloy), present Peter Norwood, FCA, with the Ritchie McCloy Award for volunteerism in the profession.



Greg Smith, CA (right), receives his award for Early Achievement.



Lifetime Achievement Award winner John Dawson, FCA (front row, second from left), surrounded by his family.

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MEMBER PROFILE

Marnie Jepsen, CMA

Vice-President of Association Services, YMCA of Greater Vancouver

Photo by: Jay Shaw Photography

Mention you're a curling fan to Marnie Jepsen, and her face lights up with excitement.

"Curling has been very good to me," she says. "I've been able to travel and compete, and it has been a great way to meet friends. It's a very social sport."

Marnie, who once competed at the national level and still curls on two teams, is now vice-chair of the board of governors at Curl BC. She considers it her way of giving back to a sport that has given her so much.

"Between everyone's efforts, Curl BC now has a much clearer reporting of their financial statements in alignment with sport policy," she says. "We're trying to create more transparency and accountability in terms of funding."

Marnie juggles her volunteer responsibilities with her day job at the YMCA, where she's vice-president of association services—or, as she jokingly calls it, "Mission Control." She and her team provide support services to the YMCA's operations, covering finance, IT, and risk management.

For Marnie, the role is a perfect marriage of her interests.

"Originally, I wanted to run a rec centre," she explains. "When I realized that it wasn't a very lucrative field and might not be the most practical choice, I started looking at the business side of things. I chose to become an accountant because I liked applying the interpretation of the numbers, and helping people manage their businesses better with numbers."

One of the innovative ways in which she has helped the YMCA put its numbers to work is by working on a partnership with condominium developer Concert Properties.

"Our downtown Y on Burrard Street was built in 1944, and needed upgrades," says Marnie. "We found a community-minded partner in Concert Properties in 2003, and were able to make a deal: We would sell them density in the air and, in exchange, they would help construct our Y."

Thus the "Patina" project was born. Concert Properties built a shared strata above the back corner of the new facilities, now known as the Robert Lee YMCA, and provided the YMCA with a cheque for $14.6 million after all the condos were sold.

"Both sides took risks, and we both knew there'd be upsides in which we'd be able to share," says Marnie. "For the Y, it meant that we were able to get out of debt on that building and move forward on some of our other projects."

Many of these projects are outlined in Focus 20/20, the strategic plan for the YMCA of Greater Vancouver.

"It outlines where we want to be in 2020, and how we see the world we want to be living in," says Marnie.

This vision includes a much improved standard of living for children.

"We now have the first generation of children with a lower life expectancy than their parents," she points out. "That's really scary."

To address this issue, the YMCA is focusing on helping vulnerable families, combating unhealthy lifestyles, and minimizing isolation.

"We're working to create access and remove boundaries," Marnie says.

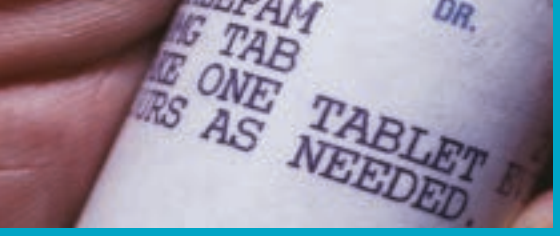
She points to a study the YMCA recently conducted on the impact of its initiatives. While there is still some analysis left to be done, early results are exciting.

"The study is showing that if you belong to a YMCA, you're more connected to your community, you're more likely to vote, you're more likely to know your neighbor, and you're more likely to just be more engaged in your community," says Marnie. "It's neat to be able to show the actual impact we're having in our community."

That's precisely why she finds her work with the charitable organization so rewarding.

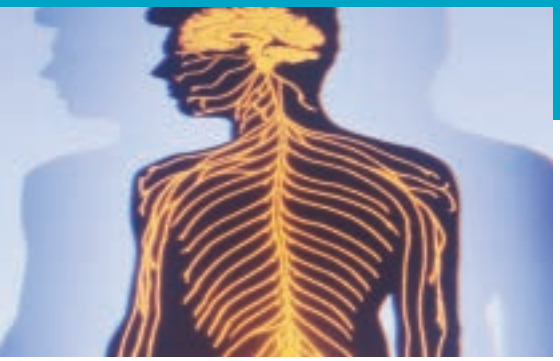
"When I find a way to get some more money to the bottom line, that means more kids go to camp," she says. "It means it means more kids can have childcare. It means we can offer more assistance."

With that, Marnie breaks out another infectious smile. ■



Accountants

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Canada Revenue Agency (CRA) Federal Legislation allows business owners to fully tax deduct 100% of their healthcare costs as a business expense using a Private Health Services Plan.

Who qualifies?

Anyone who owns a business of any size, employees and dependents. No health questions or age limits. This is not insurance.

What's covered?

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What's the cost?

There is a one-time set-up fee plus applicable taxes. The additional cost is 10% administration fee plus applicable taxes, depending on which province you live in.

Who uses a Private Health Services Plan?

Business owners who:

- do not qualify for group insurance or find it too expensive
- find group insurance coverage too restrictive; i.e.; orthodontics
- have sick child or spouse
- want front of line treatment
- want to write-off child support relating to healthcare expenses
- large groups who have been struggling with significant cost increases each year.

A partial list of qualified expenses:

Acupuncture
Alcoholism Treatment
Ambulance
Anesthetist
Attendant Care
Birth Control Pills
Blood tests
Catscan
Chinese medicine
Chiropractor
Crowns
Dental Treatment
Dental Implants
Dental X-rays
Dentures
Dermatologist
Detoxification Clinic
Diagnostic Fees
Dietitian
Drug Addiction Therapy
Eyeglasses
Fertility Treatments
Guide Dog
Hair Transplant
Hearing Aid and Batteries
Hospital Bills
Insulin Treatments
Lab Tests
Laser Eye Surgery
Lodging (away from home for outpatient care)
MRI
Naturopath
Nursing Home (incl. board & meals)
Optician
Oral Surgery
Orthodontist
Orthopedist
Osteopath
Out-of-Country Medical Expenses
Physician
Physiotherapist
Prescription Medicine
Psychiatrist
Psychologist
Psychotherapy
Registered Massage Therapy
Renovations & Alterations to Dwelling (for severe & prolonged impairments)
Special School Costs for the Handicapped
Surgeon
Transportation Expenses (relative to health care)
Viagra
Vitamins (if prescribed)
Wheelchair
X rays

Note: This is a partial list. All allowable expenses must qualify as outlined in the Income Tax Act

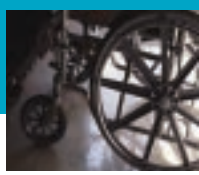
Why are your clients doing this with their healthcare expenses?

Healthcare Costs	$1600
(3% of net income) Deduct	$1500
Available for credit	$100
Tax Credit*	**$25**

When they could be doing this!

Healthcare Costs	$1600
Admin Fee (10%)	$ 160
Tax-deductible total	$1760
Tax Deduction	**$1760**

EXAMPLE:
Net income of $50,000 per year with family medical expenses of $1600
*Based on a combined Federal and Provincial rate of 25%.





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Left to Right:
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Vern Blair:	604.697.5276	Jeff Matthews:	604.697.5203	Chris Halsey-Brandt:	604.697.5294
Rob Mackay:	604.697.5201	Cheryl Shearer:	604.697.5293	Kiu Ghanavizchian:	604.697.5297
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