



2024 WICPA NOT-FOR-PROFIT ACCOUNTING CONFERENCE

YOUR SOURCE FOR KEY UPDATES & INSIGHTS ON TIMELY ISSUES

HIGHLIGHTED TOPICS:



ACCOUNTING & AUDITING & TAX UPDATE

Get the latest accounting, auditing and tax updates impacting not-for-profits and grant-funded organizations



ECONOMIC & FINANCIAL MARKET OUTLOOK: 2024-2028

Find out what the most reliable indicators are and what that means for us all in 2024 and beyond



TECHNOLOGY & CREATING STAFF EFFICIENCIES

Learn how not-for-profits can utilize technology in spend management and the close process to create staff efficiencies

THURSDAY, SEPT. 12 | WICPA OFFICE & WICPA CPE LIVESTREAM

2024 WICPA NOT-FOR-PROFIT ACCOUNTING CONFERENCE

MATERIALS AT A GLANCE

The following materials are from the afternoon sessions of the 2024 WICPA Not-For-Profit Accounting Conference held on Thursday, Sept. 12, including:

- Economic & Financial Market Outlook: 2024-2028
- Staffing & Succession Planning: Attracting, Developing & Retaining Talent in Today's Environment
- Technology & Creating Staff Efficiencies
- Ethical Implications of Using Generative AI

**VIEW THOUSANDS OF ADDITIONAL IN-PERSON AND
ONLINE CPE OPPORTUNITIES AT [WICPA.ORG/CPECATALOG](https://www.wicpa.org/cpecatalog)**

RETIREMENT PLAN SERVICES FROM LOCAL SPECIALISTS.

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Learn more: [608-259-3740](tel:608-259-3740) | Michael.StJohn@AssociatedBank.com



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Investment, Securities and Insurance Products:

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“ *CTaccess is an extension of our company. They keep our company on track, prepared for the future and up & running.* **”**

The Full Spectrum of IT Services. NO MORE hassles and NO MORE hidden costs. We'll be the most transparent, proactive, and responsive IT partner you'll ever have in your corner.

What is IT? When we talk about IT, we're referring to your entire infrastructure: computers, servers, internet, cyber security, email, the cloud, phones, and all the things that keep your company and your people running day to day. Our job is to make sure all of those essential functions are working at their peak and continuously improving so that you can focus on your mission.

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- **Co-Managed Service Provider**
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Professional (CITP®)

Certified in the Valuation of Financial
Instruments (CVFI™)

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aicpa.org/credentials



2024 WICPA GOLF OUTING

FRIDAY, SEPT. 20 – Ironwood Golf Course, Sussex



4-PERSON SCRAMBLE

\$95 per Golfer
\$380 per Foursome

REGISTRATION INCLUDES

18 Holes of Golf With Cart
Practice Greens & Driving Range
Continental Breakfast & Lunch
Beverage Vouchers
Hole & Event Contests
Entry in Prize Drawings

SCHEDULE

8:30 a.m.
Registration & Breakfast

9:00 a.m.
Practice Greens
& Driving Range

10:00 a.m.
Shotgun Start

4:00 p.m.
Reception & Appetizers

HOLE & EVENT PRIZES

\$1,000+ in Drawing Prizes
\$500+ in Individual Prizes
\$500+ in Team Prizes
\$500 Inside the Circle Contest

Scan the QR code or visit wicpa.org/GolfOuting to register.



SAVE THE DATE!

UPCOMING WICPA CONFERENCES & SPECIAL EVENTS



CONFERENCES

WICPA conferences are your source for key updates and insights on timely issues. As a WICPA member, you can save up to \$150 on registration!

Business & Industry Fall Conference

Tuesday, Oct. 22
Brookfield Conference Center & WICPA CPE Livestream

Tax Conference

Monday, Nov. 11 - Tuesday, Nov. 12
Brookfield Conference Center & WICPA CPE Livestream

Accounting & Auditing Conference

Thursday, Nov. 21
WICPA Office & WICPA CPE Livestream

Accounting Technology Conference

Tuesday, Dec. 10
WICPA Office & WICPA CPE Livestream

Business & Industry Spring Conference

Thursday, March 20, 2025
Brookfield Conference Center & WICPA CPE Livestream

Financial Institutions Conference

Tuesday, May 13, 2025
WICPA Office & WICPA CPE Livestream

School District Audit Conference

Wednesday, May 21, 2025
WICPA Office & WICPA CPE Livestream

SPECIAL EVENTS

WICPA special events are unique opportunities to connect with fellow members and provide a great way to socialize and have fun!

Golf Outing

Friday, Sept. 20
Ironwood Golf Course

Bowling Night

Thursday, April 24, 2025
New Berlin Ale House

Member Recognition Banquet & Annual Business Meeting

Friday, May 9, 2025
Brookfield Conference Center

New CPA Banquet

Friday, June 13, 2025
Brookfield Conference Center

Virtual Member Orientation

Thursday, Dec. 12, 2024 | Open 8 a.m.
Tuesday, March 11, 2025 | Open 8 a.m.

Learn more and register at
wicpa.org/orientation.

Registration opens approximately eight weeks prior. For more details about each and to register, visit wicpa.org/conferences and wicpa.org/events.

VOLUNTEER



To help raise awareness of the accounting profession, we're looking for volunteers to go into high schools to talk about accounting as a career.

To learn more, visit wicpa.org/CPAMonth



Wisconsin Institute of
Certified Public Accountants

INSPIRE FUTURE ACCOUNTANTS

PROMOTE ACCOUNTING & YOUR ORGANIZATION!

Step up and shape tomorrow's accounting professionals by hosting high school students at your organization. The WICPA Educational Foundation's Accounting Awareness Grants provide funding for high school educators to bring students to you for a presentation or activity to learn more about accounting. By volunteering to host a class, your organization will:



Spark interest in
the accounting
profession



Strengthen the
CPA pipeline with
future talent



Showcase your
internships & job shadow
opportunities



Educational
FOUNDATION

Don't miss the chance to inspire and recruit the next generation of accountants. Get noticed by high school educators now!
Learn more at wicpa.org/HighSchoolActivityHost.



2025
WICPA

Excellence

★ ★ ★

★ ★ A W A R D S



NOMINATE SOMEONE YOU KNOW FOR AN EXCELLENCE AWARD!

- ★ Accounting Educator
- ★ Accounting Student
- ★ Business & Management
- ★ CPA in Public Practice
- ★ Community Service
- ★ Distinguished Career
- ★ Diversity & Inclusion
- ★ Woman to Watch
- ★ Young Professional

Submit your nomination at wicpa.org/awards by Nov. 11, 2024.

Recipients will be announced in January and honored at the
Member Recognition Banquet & Annual Business Meeting on May 9, 2025.



Join the WICPA Board of Directors!

The WICPA is seeking members to serve on its board of directors.

Opportunities include:

- Staying up to date on professional issues
- Providing strategic governance in accordance with the WICPA strategic plan, mission and vision
- Acquiring new leadership and training skills



To apply, visit wicpa.org/BoardApplication through Nov. 15, 2024.

Questions?
Contact tammy@wicpa.org.

Applicants must be WICPA CPA members in good standing. A "CPA member" is defined as a WICPA member who has obtained a certificate as a CPA from the Accounting Examining Board of the State of Wisconsin, or from a similar legally constituted authority in any other state, possession or territory of the United States or the District of Columbia.



**Educational
FOUNDATION**

Join the WICPA Educational Foundation Board!

The WICPA Educational Foundation is seeking members to serve on its board of directors.



Some of the opportunities include:

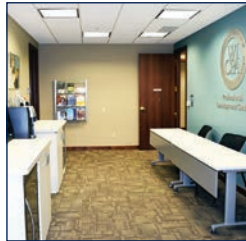
- Assisting in efforts to attract students to the profession.
- Providing strategic governance in accordance with the WICPA Educational Foundation mission.
- Acquiring new leadership skills.

The WICPA Educational Foundation plays a pivotal role in supporting programs to improve awareness and perceptions by educating students and educators about the exciting opportunities available to accounting professionals.

To apply, visit wicpa.org/EFBoardApplication through March 1, 2025. ► **Questions?** Contact tammy@wicpa.org.

WICPA Meeting Space & Training Center Rentals Available

- Hassle-free meeting planning
- Professional environment
- Multiple room choices and layouts
- Accommodations for groups up to 60
- Full-day and half-day rental options
- Equipped with the latest A/V equipment
- Free high-speed Wi-Fi
- Easy access from I-94 and free parking
- Coordinated catering and refreshments



Training Center

- Seats up to 60 (full room)
- Can be split to accommodate smaller groups
- Flexible room setups: Classroom, Pods, U-shape, Hollow Square
- Ceiling-mounted projector and retractable screens with multiple A/V connections
- Blu-ray/DVD player
- Large whiteboards
- Electrical outlets in each table
- Private entrance and registration area
- Catering and refreshment area

Executive Boardroom

- Seats up to 20
- 80" TV with multiple A/V connections
- Equipped for video conferencing
- Granite countertop with sink and refrigerator



For more information, visit wicpa.org/MeetingSpaces, or to schedule a tour or reserve space, contact Rachella Fortier at rachella@wicpa.org or 262-785-0445 ext. 4505.



12:20 – 1:35 p.m.

Economic & Financial Market Outlook: 2024-2028

Clare Zempel, CFA, CBE, *Principal, Zempel Strategic*



WICPA Not For Profit Conference

The Economic and Market Outlook 2023 – 2028

2023 “Soft” Landing Became Likely When Inflation Slowed Far
Faster Than Spending

2024 Recession Is Possible Unless Fed Eases Soon

Clare Zempel, CFA, CBE
Economist and Investment Strategist

WICPA Offices
September 12, 2024

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WICPA Not For Profit Conference

The Economic and Market Outlook 2023 – 2028

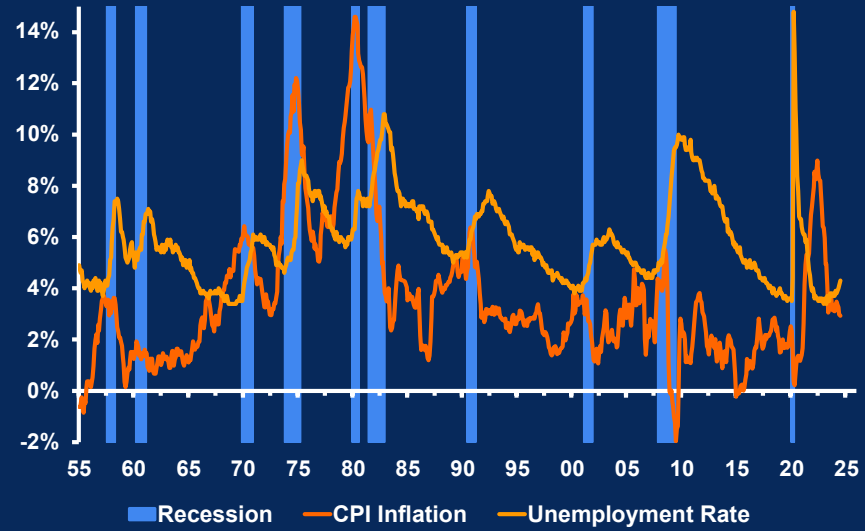
Why Monitor Business Cycles?

Copyright © 2023 Clare W. Zempel

Inflation, Unemployment and Recessions

(CPI Inflation = 12-Month Change)

10 Recessions
Since 1955



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The Economic and Market Outlook 2023 – 2028

Should We Fear Recession?

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Interest Rates and Recessions

(Inversion = 1-Year > 10-Year)

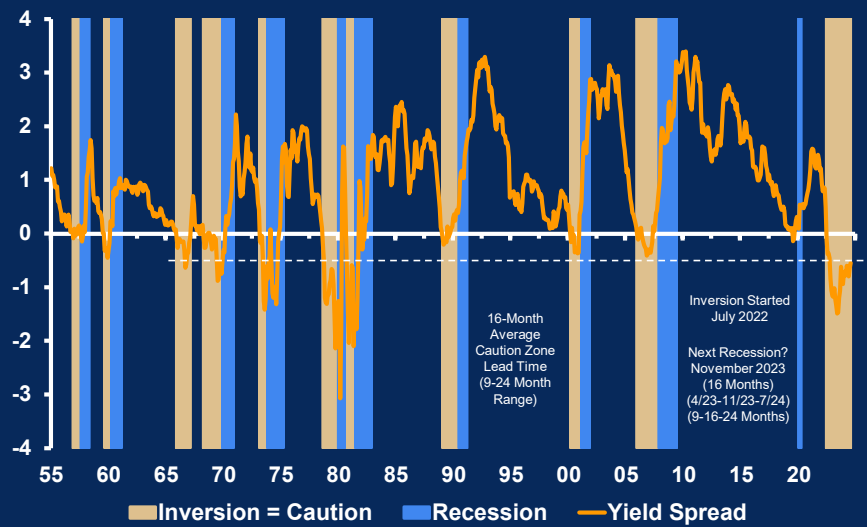
10 Recessions Since 1955

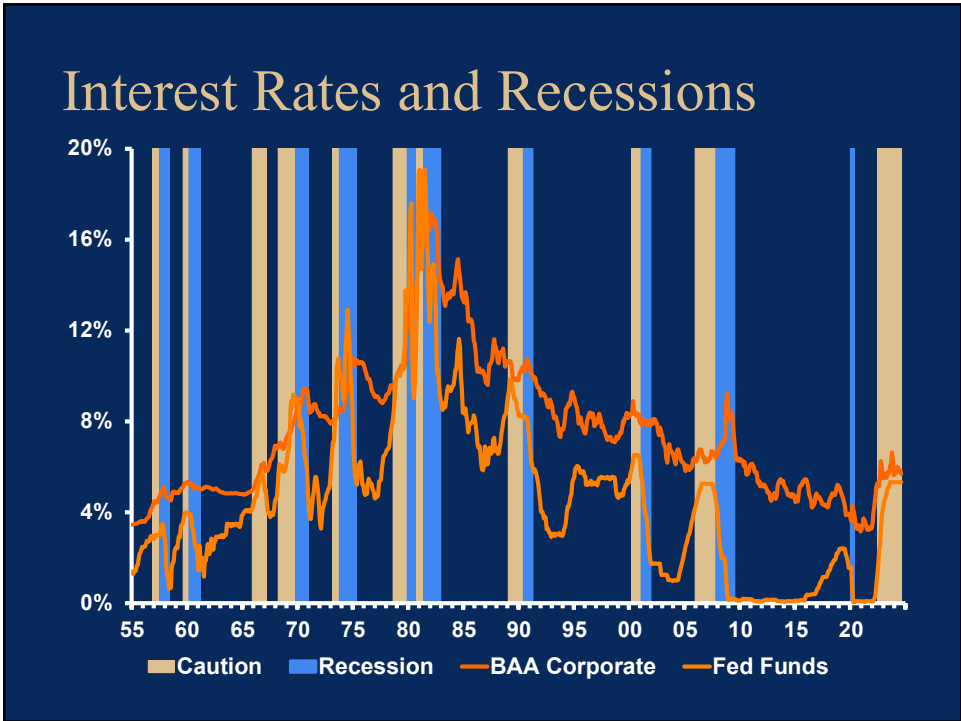
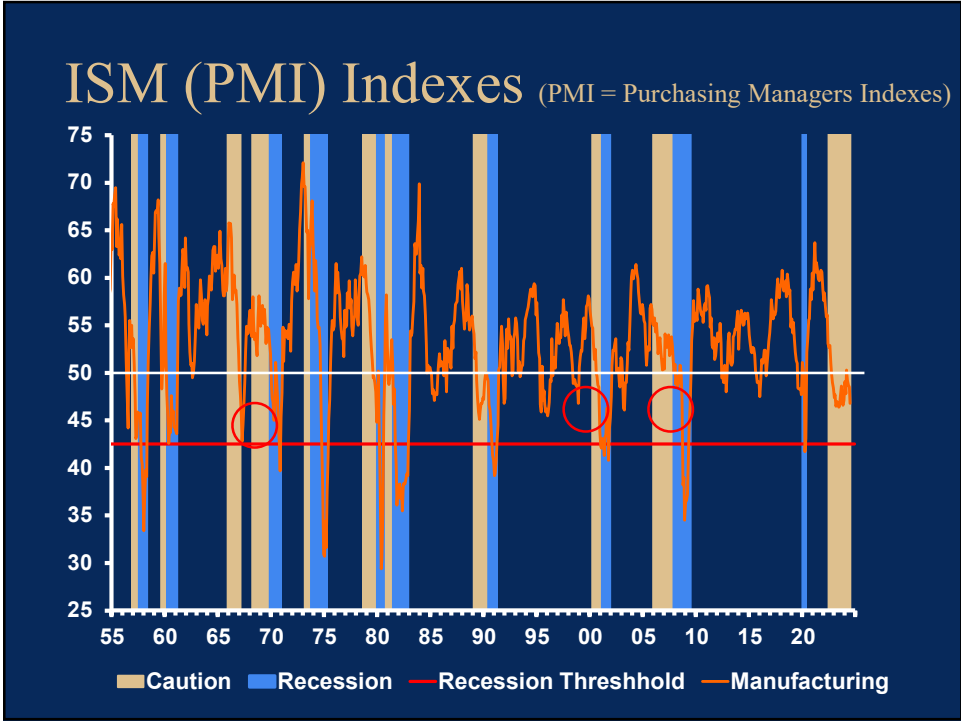


Yield Spread and Caution Zones ©

(10-Year T-Note Yield Minus 1-Year T-Note Yield) (Percentage Points)

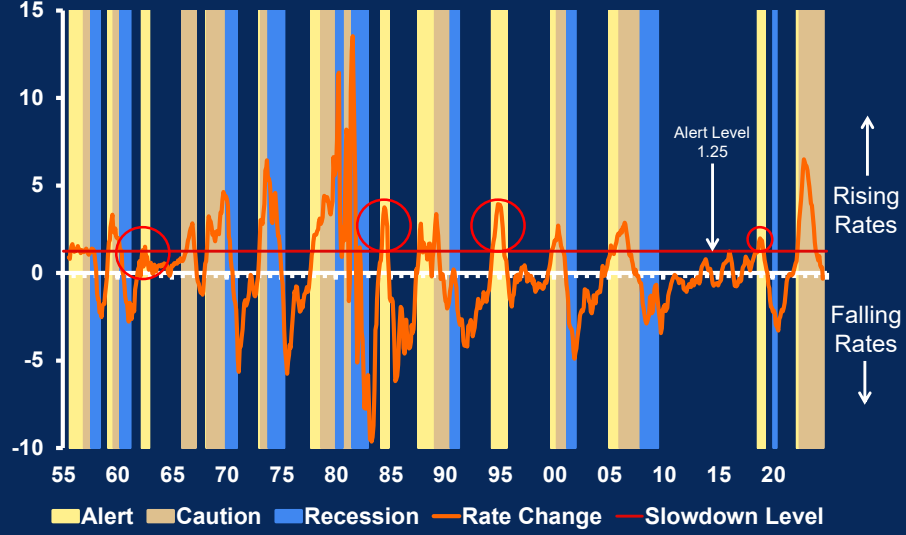
(Inversion = Caution Zone When Fed Funds Rate Is Rising)



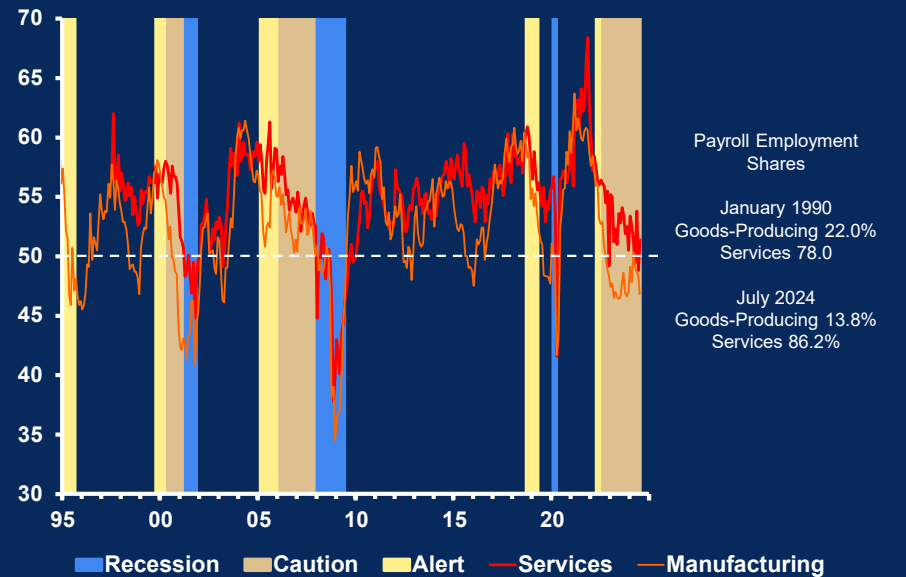


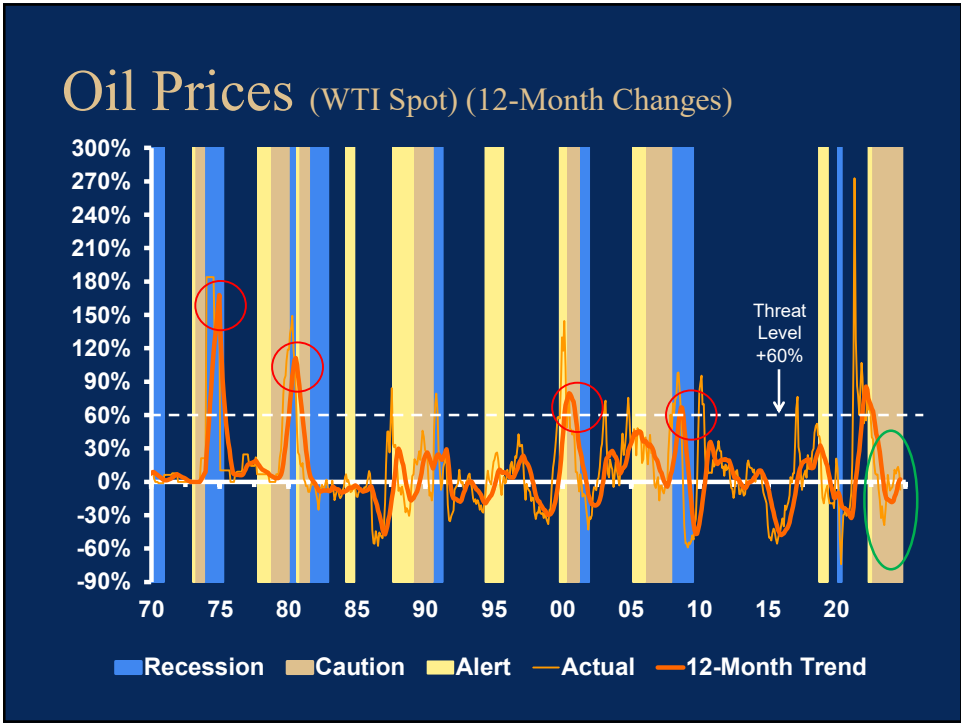
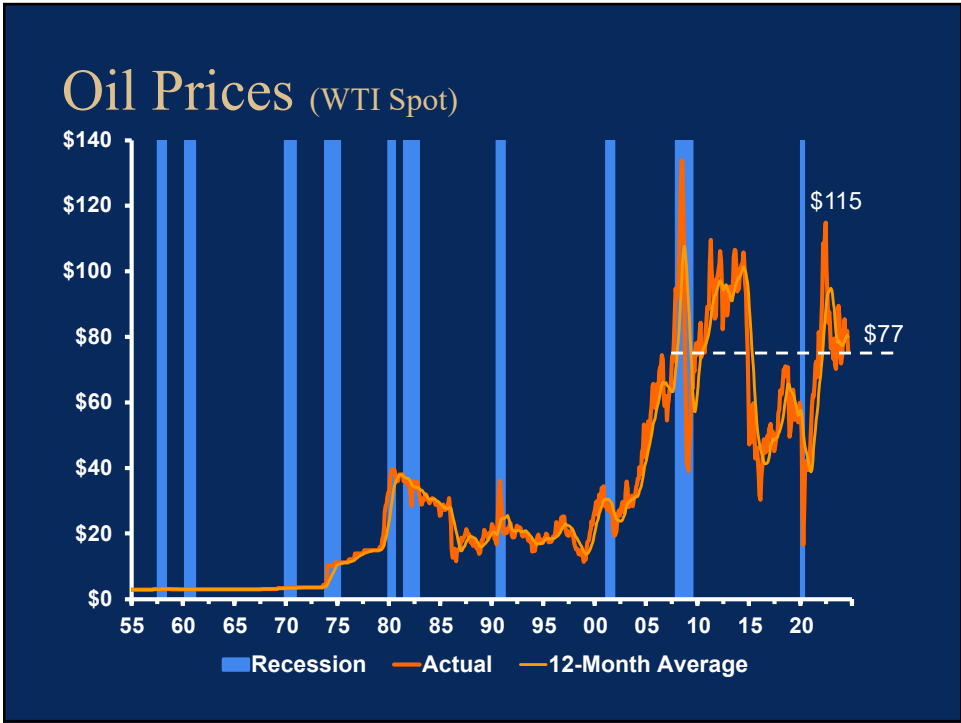
Rate Changes and Zempel Zones ©

(BAA and Fed Funds) (Total 12-Month Change in Percentage Points)
 (Alert Zone = When Rates Rise 1.25 Percentage Points)



ISM (PMI) Indexes (PMI = Purchasing Managers Indexes)







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The Economic and Market Outlook 2023 – 2028

What Do “Best Indicators” Predict?

Yield Spread Remains Inverted – Implies Recession Risk
Energy-Prices Still Support Economic Expansion

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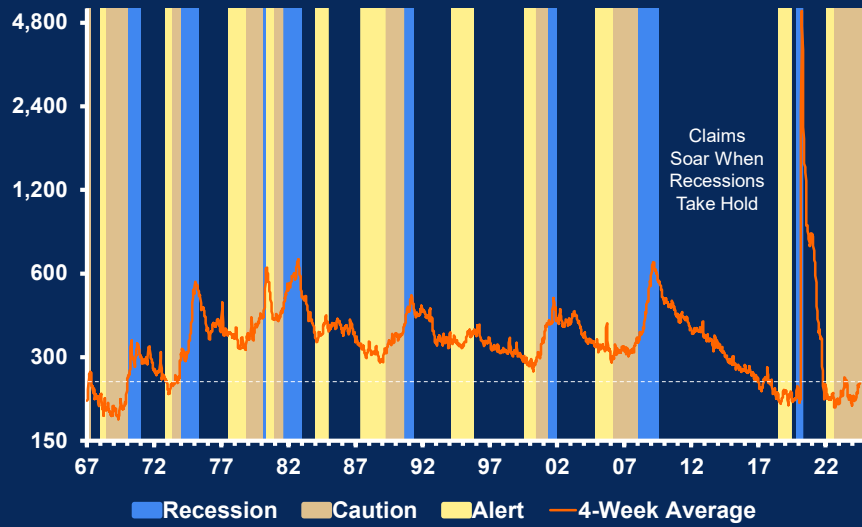
The Economic and Market Outlook 2023 – 2028

Has Recession Started? No.
Why Not? Inflation Has Fallen Faster Than Usual.

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Jobless Claims and Zempel Zones ©

(Initial Unemployment Insurance Claims) (Log Scale) (Weekly) (Thousands)

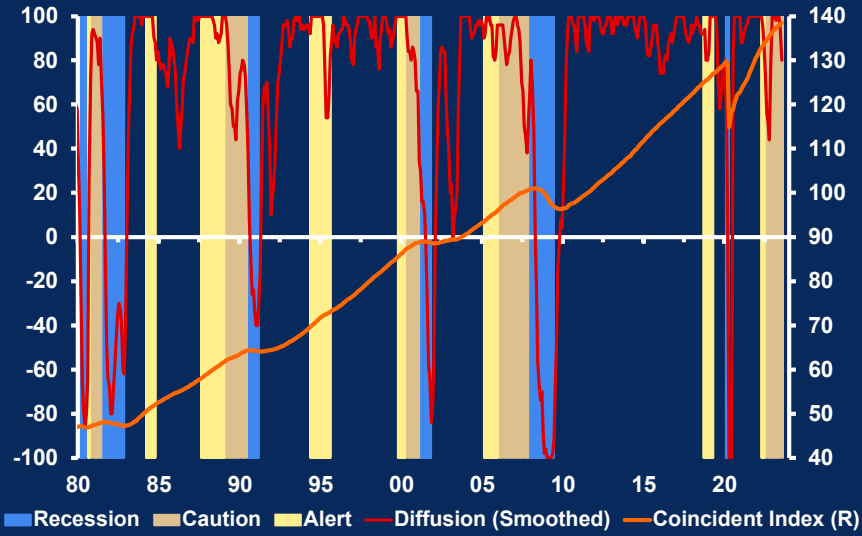


Dallas Fed's Weekly Economic Index



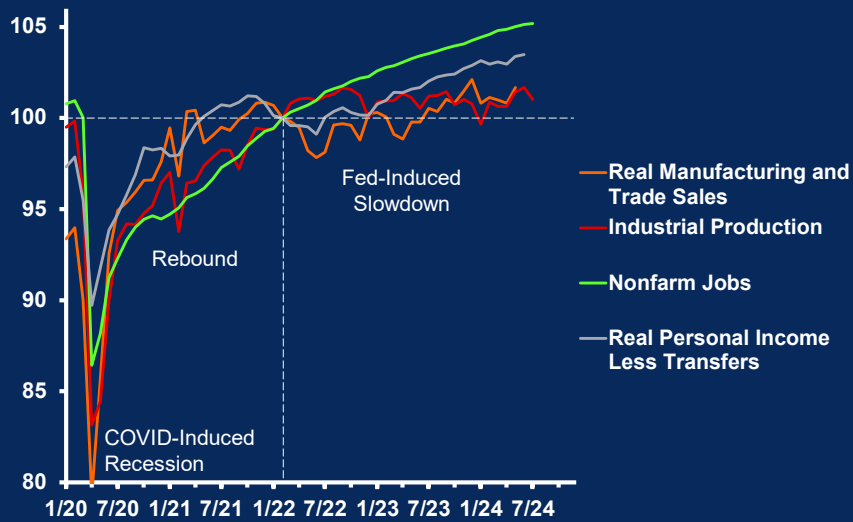
U.S. Coincident and Diffusion Indexes

(Coincident Economic Activity Index) (Diffusion = States Improving Percentage)

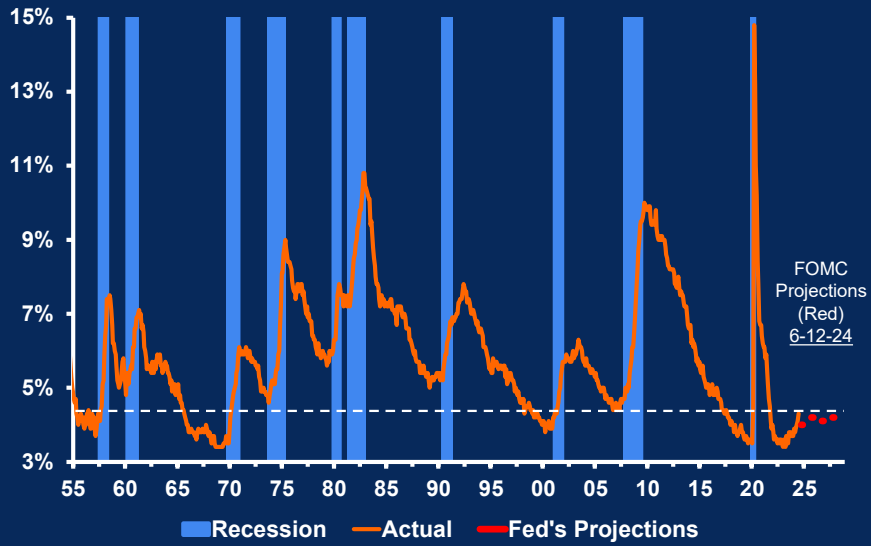


NBER Recession Watch – Four Key Numbers

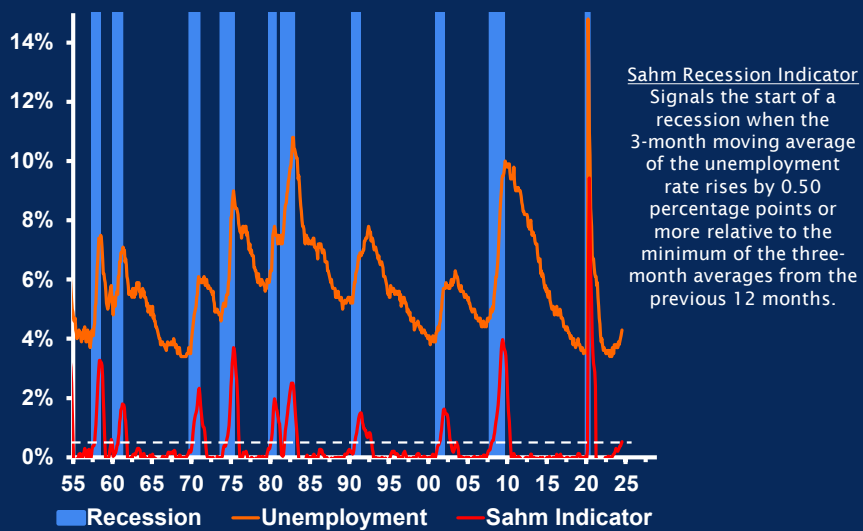
(NBER = National Bureau of Economic Research) (February 2022 = 100)



Unemployment Rate (Monthly)

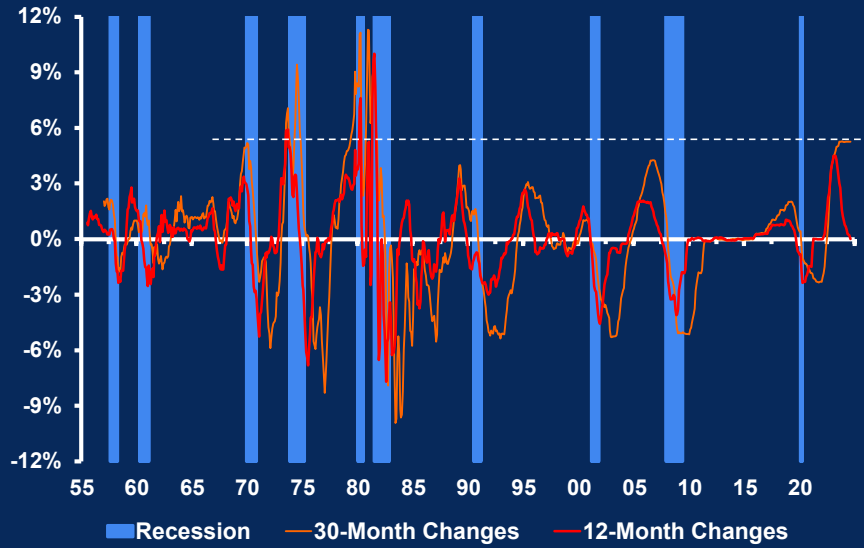


Unemployment Rate and Sahm Rule (Months)



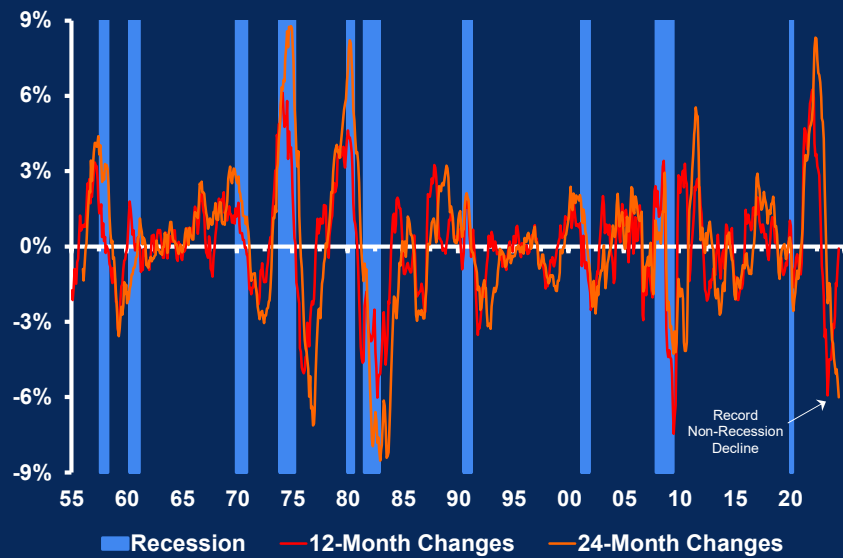
Fed Funds Changes

(Percentage Points)



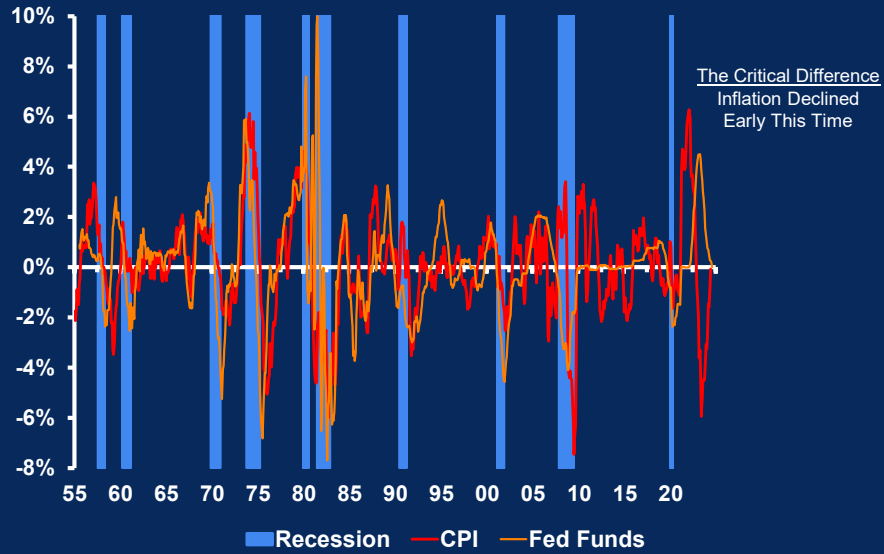
CPI Inflation Rate Changes

(12-Month Changes) (Percentage Points)



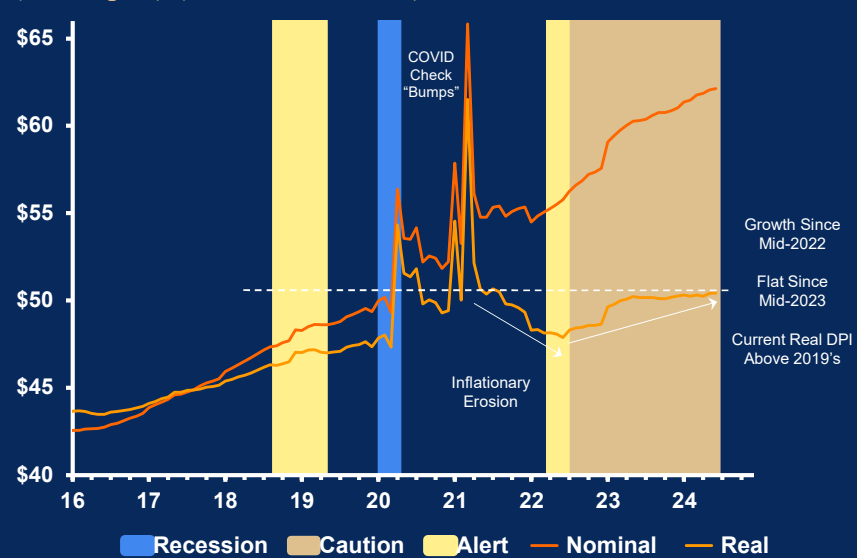
Fed Funds and CPI Changes

(12-Month Changes) (Percentage Points)



Disposable Personal Income and Zempel Zones ©

(Per Capita) (Thousand Dollars)





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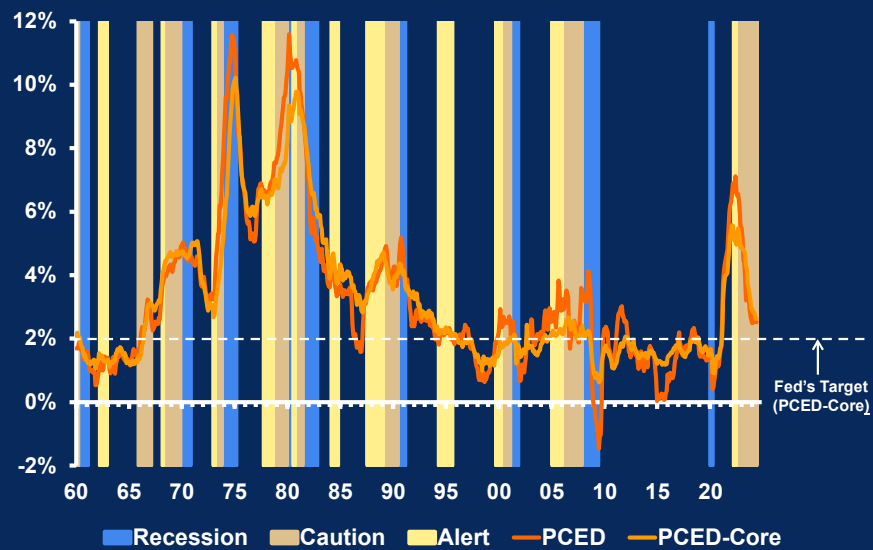
The Economic and Market Outlook 2023 – 2028

What Causes Inflation?
Why Did Inflation Peak Early?
Should Federal Reserve Policy Ease?

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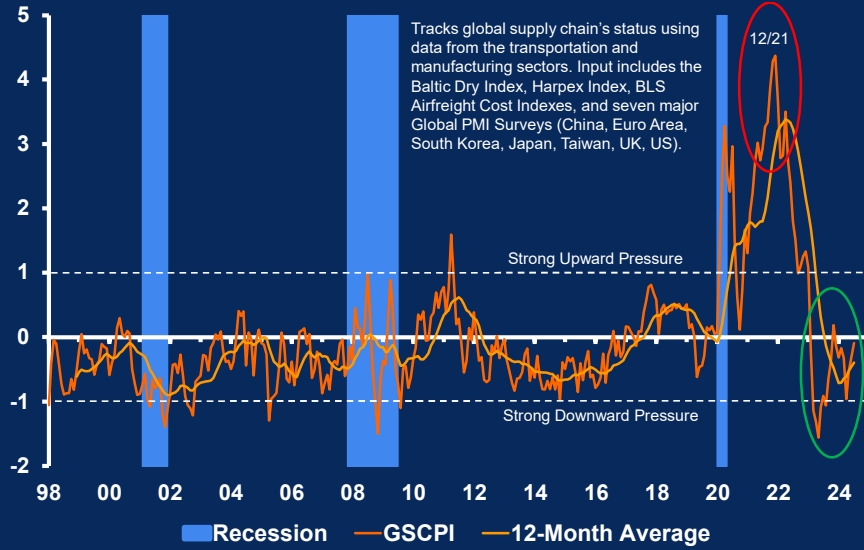
PCED Inflation and Zempel Zones ©

(PCED = Personal Consumption Expenditure Deflator) (12-Month Changes)



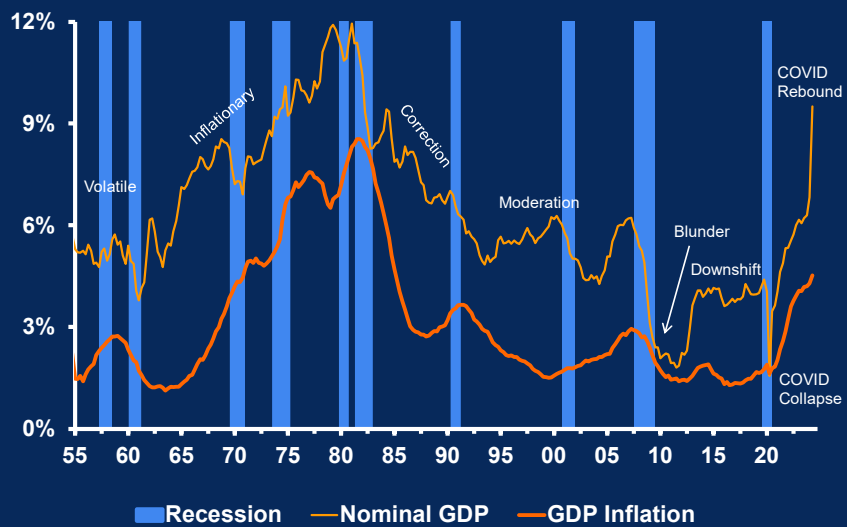
Global Supply Chain Pressure Index

(GSCPI) (Monthly) (New York Fed)

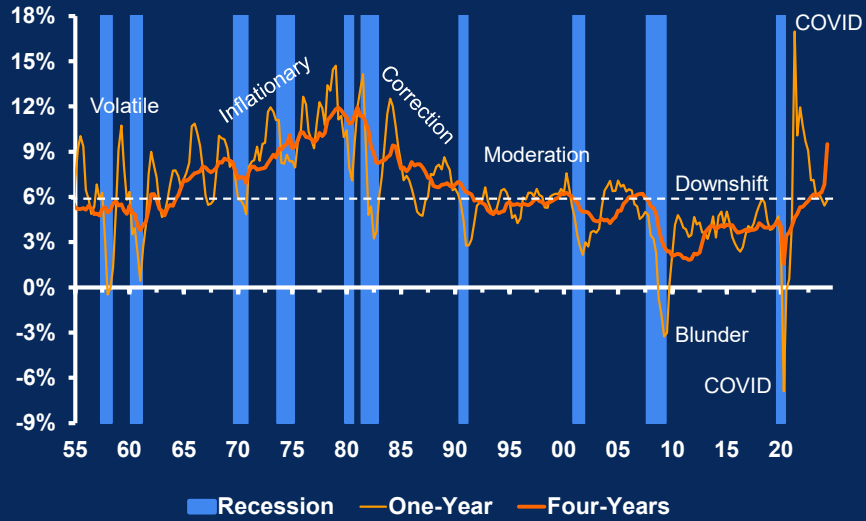


Nominal GDP Growth and Inflation

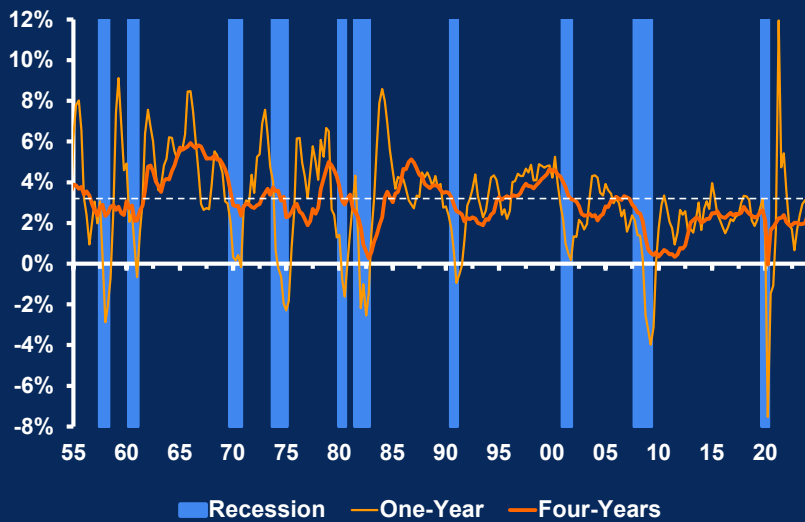
(Four-Year Growth Rates)



Nominal GDP Growth Rates



Real GDP Growth Rates



GDP Inflation Rates



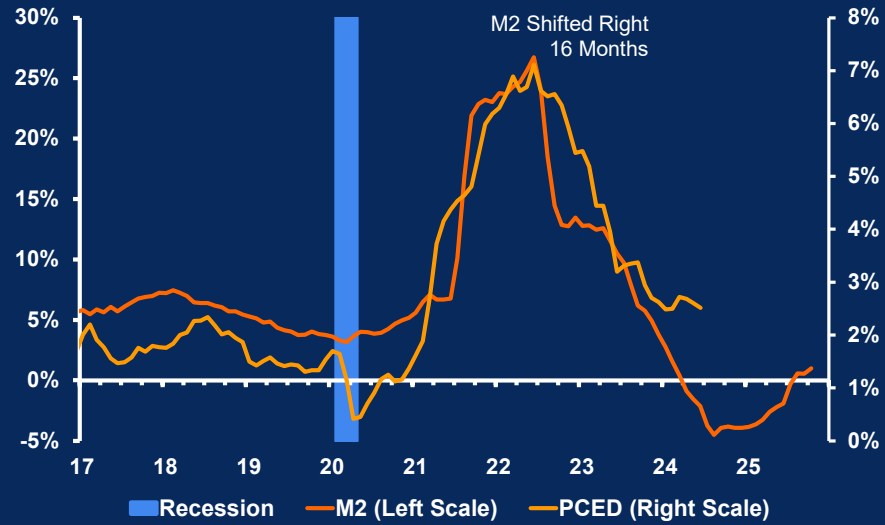
M2 Growth and Zempel Zones ©

(M2 Money Stock) (Monthly)



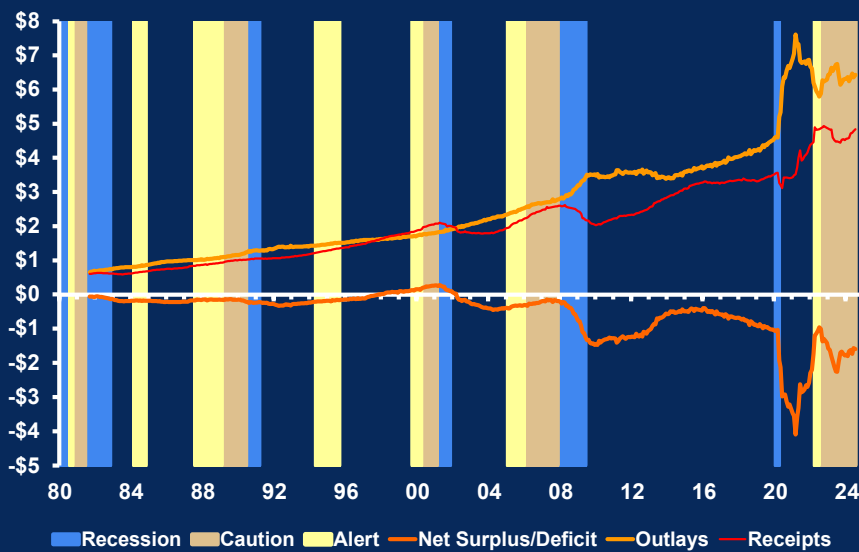
M2 Growth and PCED Inflation

(12-Month Changes)

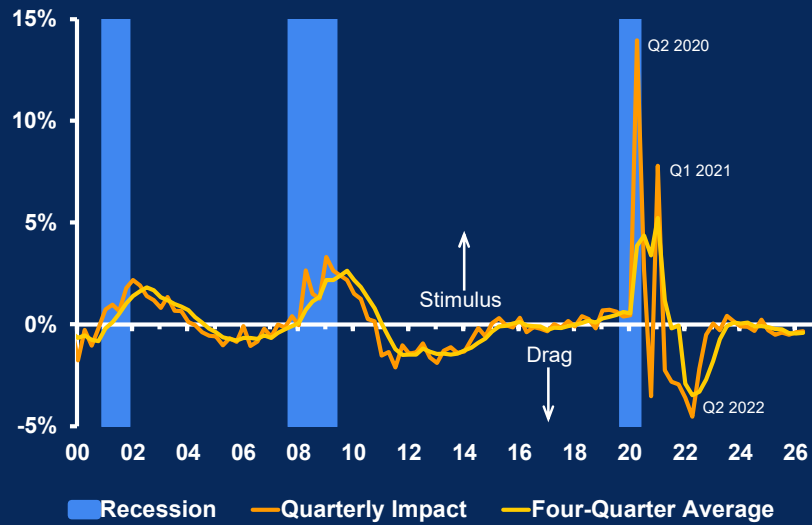


Federal Budget and Zempel Zones ©

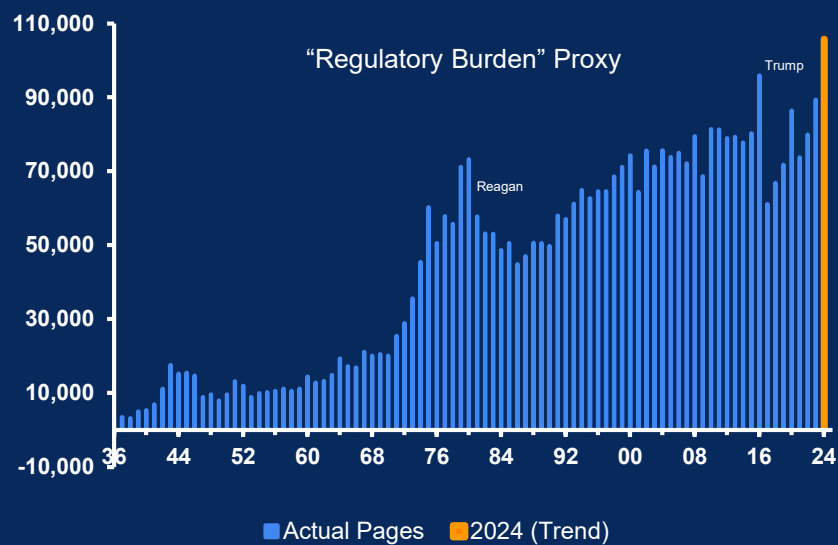
(Trillions) (Monthly) (12-Month Totals)



Hutchins Center Fiscal Impact Measure (GDP Growth Contributions)



Federal Register Page Count (Actual Annual Totals in 1936-2023)



Odds update every minute | Last updated: 8:47PM EDT on Aug 13, 2024

Election Betting Odds

By [Maxim Lott](#) and [John Stossel](#)
[Why This Beats Polls](#) | [Odds from Betfair, Smarkets, PredictIt, Polymarket](#) | [How People Bet](#)

[Home](#) | [Charts](#) | [Track Record](#)
Final winner: [By Party](#) | [By Candidate](#) | [Biden Out?](#)
[House Control](#) | [Senate Map](#)

Hover over candidate pics to see market breakdown. Hover over underlined titles for amount bet.

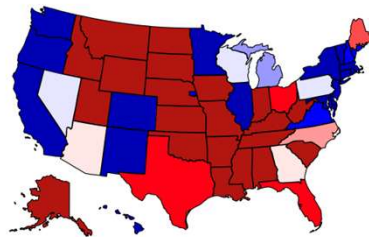
Chance of winning...

US Presidency 2024



Electoral Votes 2024 (estimate: 276-262. Hover over states)

270 electoral votes needed to win



House Control 2024

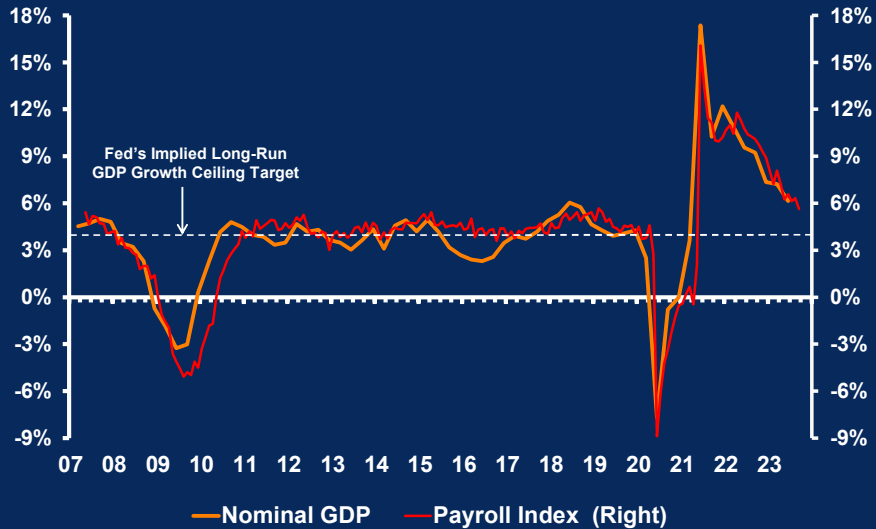


State election odds update every 20 minutes. Last updated: 8:02PM EDT on Aug 13, 2024
Over \$5 million bet. State betting is from [Polymarket](#). Others to be added if liquid state market available.

Nominal GDP and Payroll Index Growth

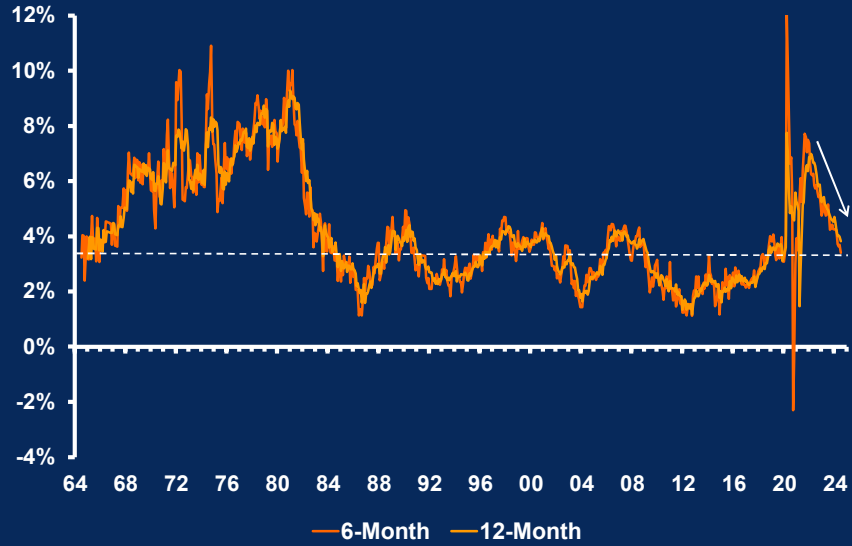
(Nominal GDP Growth = 4-Quarter Change)

(Payroll Index = Hours x Wages) (Payroll Index Growth = 12-Month Change)

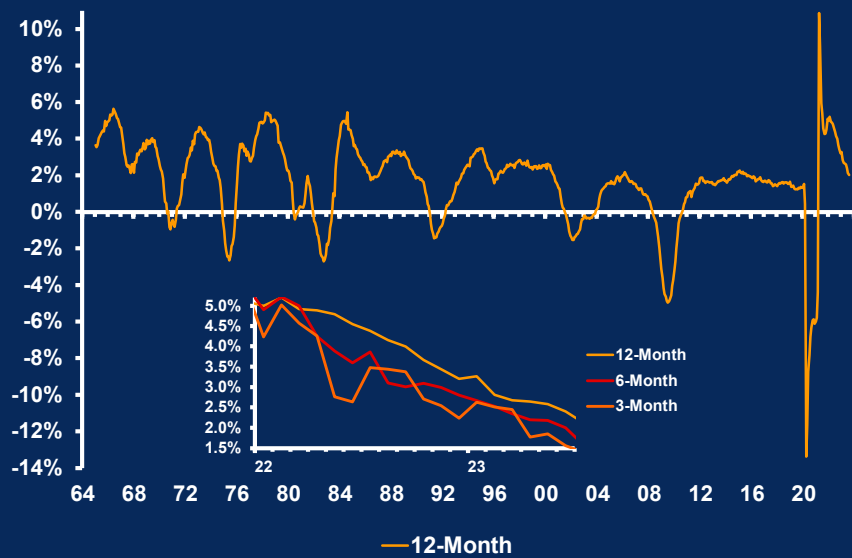


Average Hourly Earnings Growth

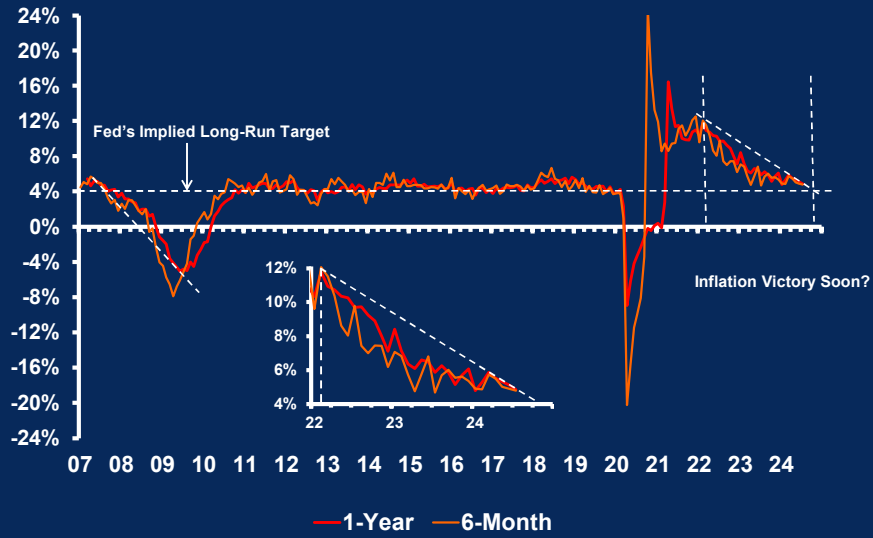
(Private Production and Nonsupervisory Employees)



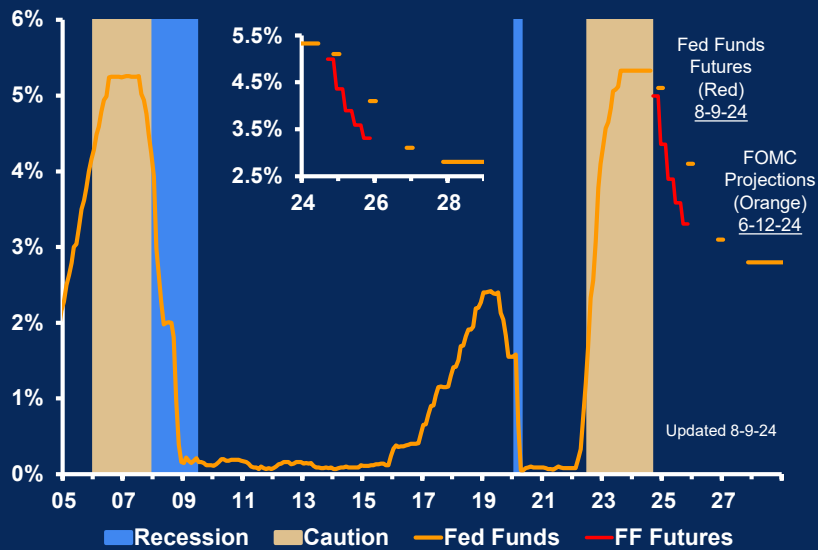
Nonfarm Employment Growth



Payroll Index Growth (Payroll Index = Hours x Wages)



Interest Rate Prospects





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The Economic and Market Outlook 2023 – 2028

Inflation Has Peaked – Fed's Target Achievable Soon
Monetary Policy Remains Restrictive
Fiscal Policy Remains Restrictive
Political Prospects ?
No Recession If Inflation Falls Further + Fed Eases

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WICPA Not For Profit Conference

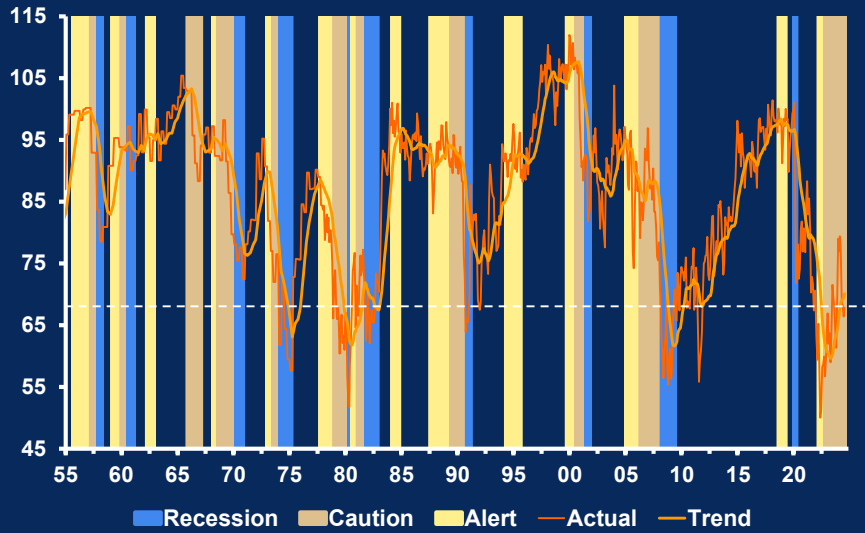
The Economic and Market Outlook 2023 – 2028

Economic Sector Performances
Prospects Not Robust

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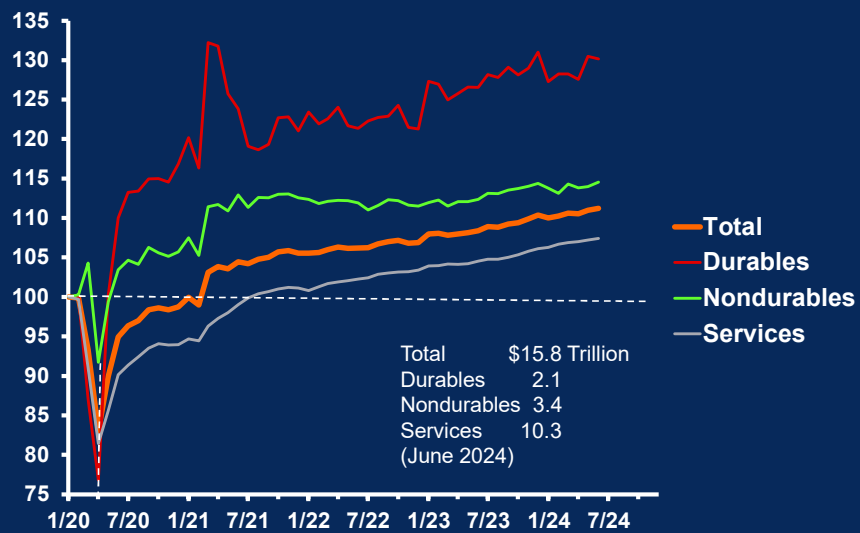
Consumer Sentiment and Zempel Zones ©

(Consumer Sentiment Index) (University of Michigan) (Monthly)



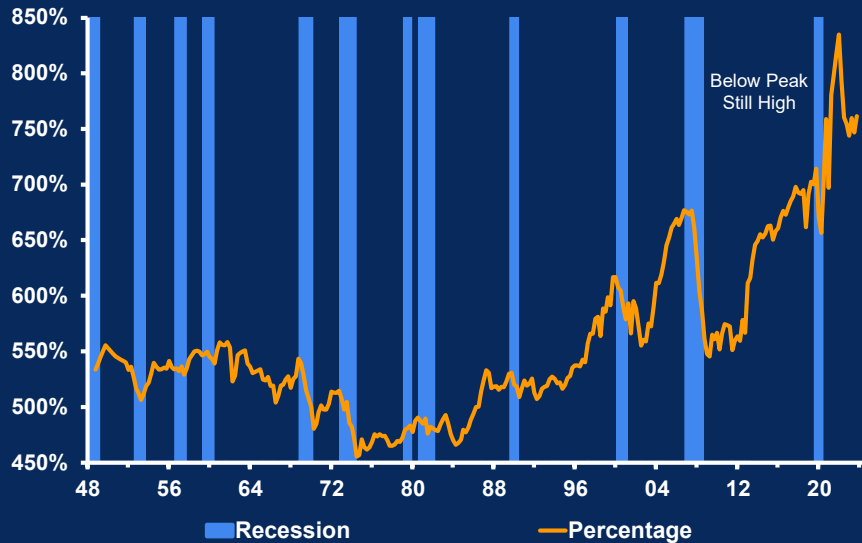
Real Personal Consumption Indexes

(January 2020 = 100)



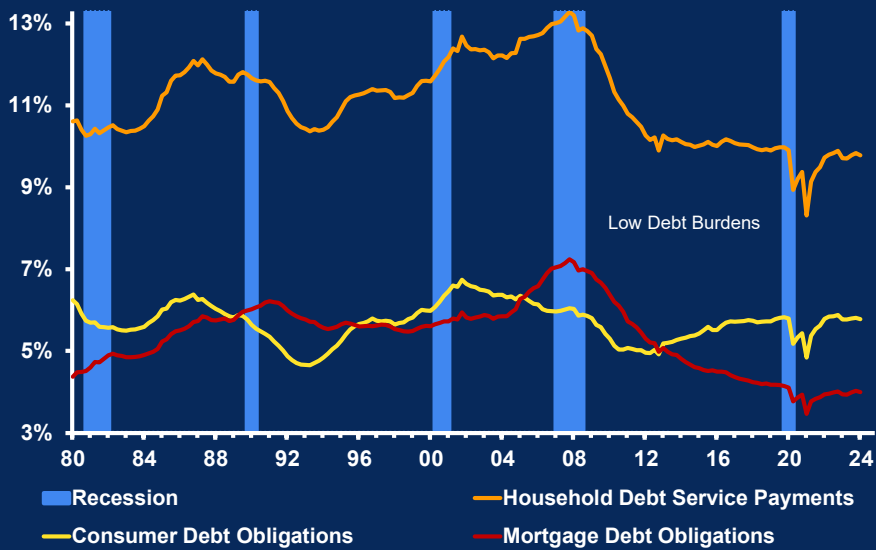
Net Worth (Percentage of DPI)

(Households and Nonprofit Organizations)

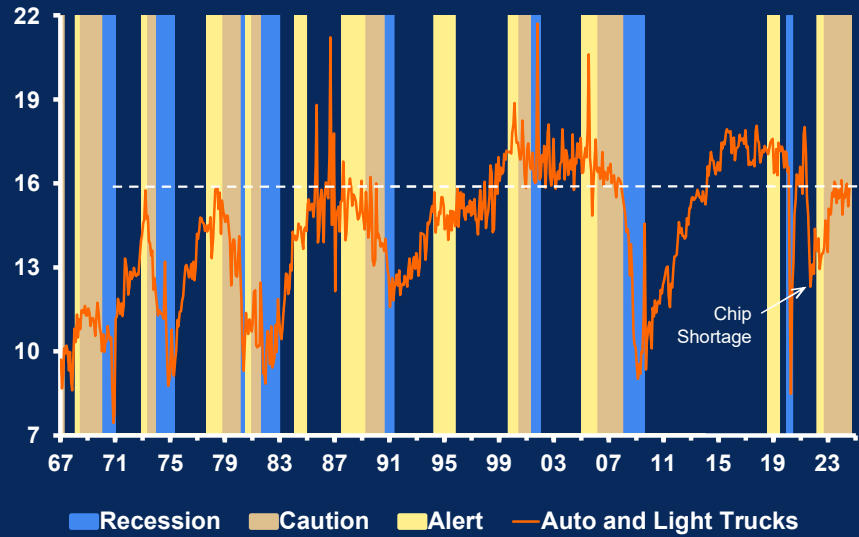


Household Debt Obligations

(Percent of Disposable Personal Income)

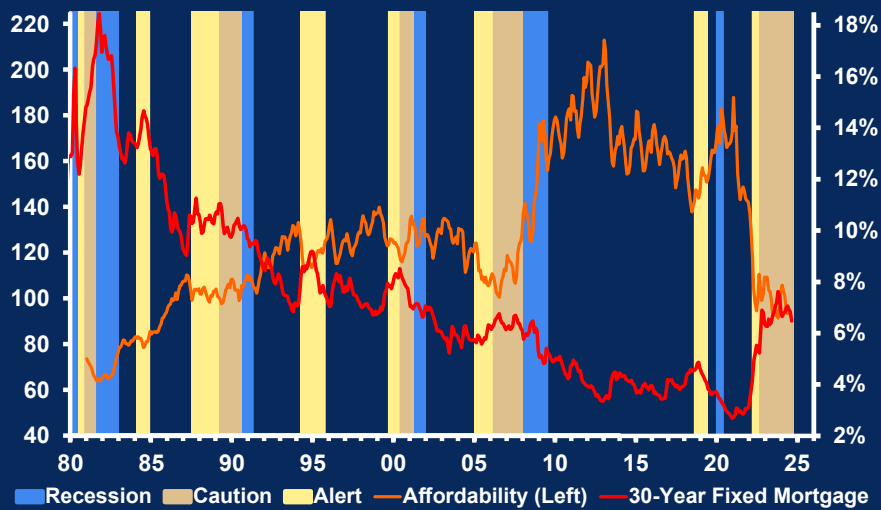


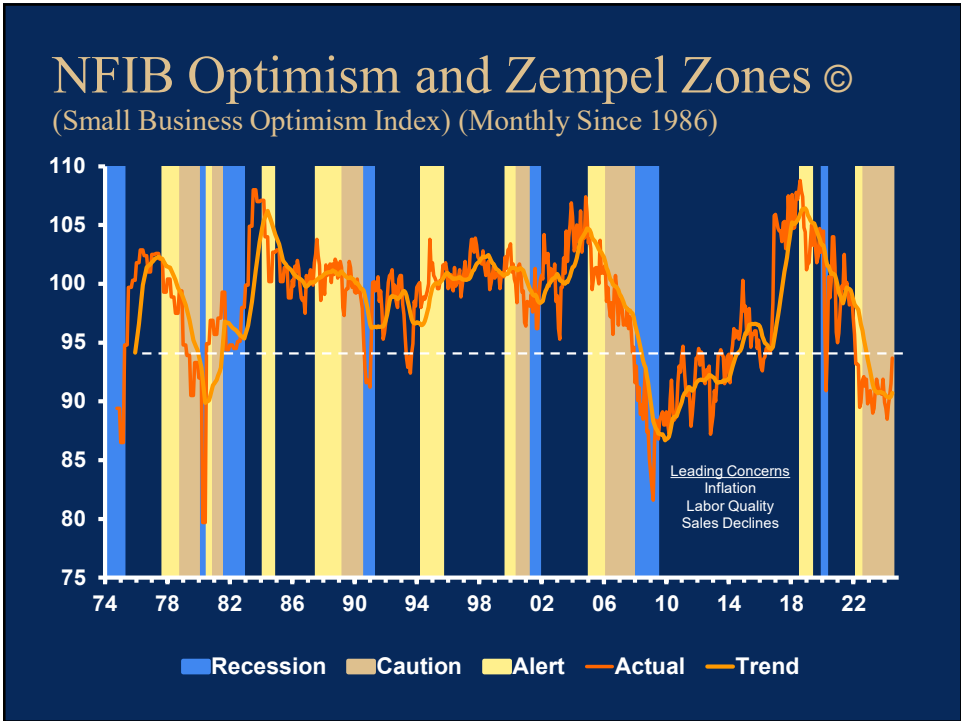
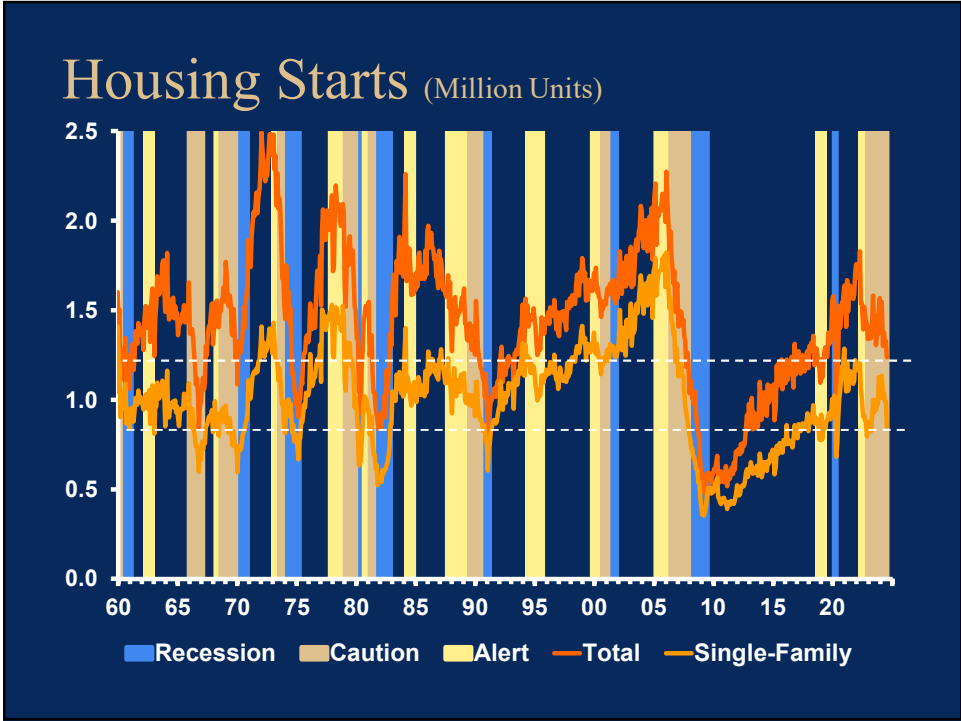
Auto and Light Truck Sales (Million Units)



Mortgage Rate and Affordability

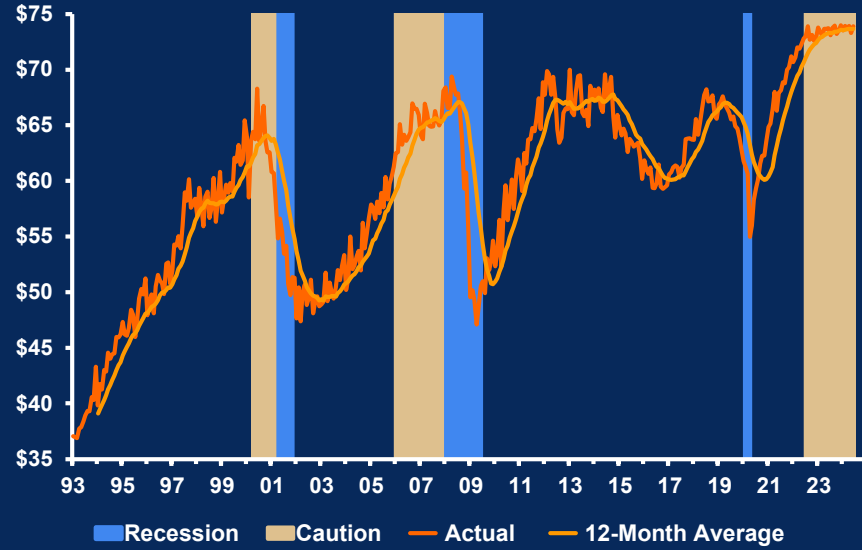
(National Fixed-Rate Average) (Fixed-Rate Affordability Index)





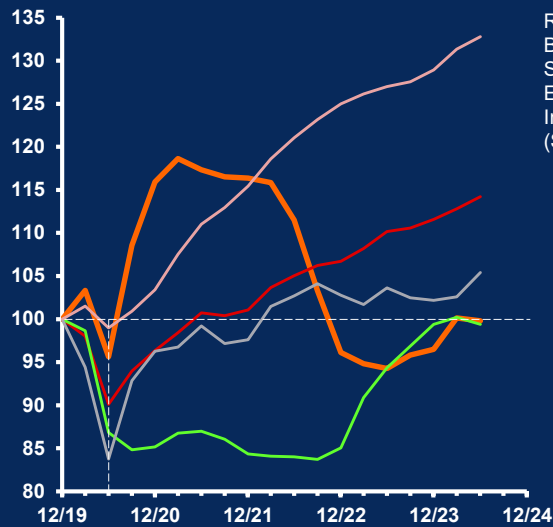
New Non-Defense Capital Goods Orders

Excluding Aircraft (Monthly) (Current Dollars) (Billions)



Real Investment Indexes

(Quarterly) (December 2019 = 100)

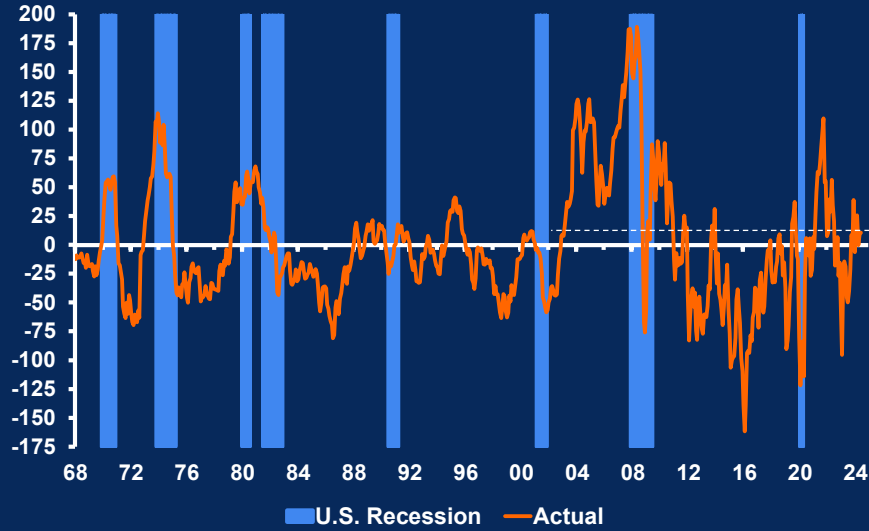


Residential	\$0.8 Trillion
Business Total	3.4
Structures	0.7
Equipment	1.3
Intellectual	1.5
(Second Quarter 2024)	

- Residential
- Business Total
- Business Structures
- Business Equipment
- Intellectual Property

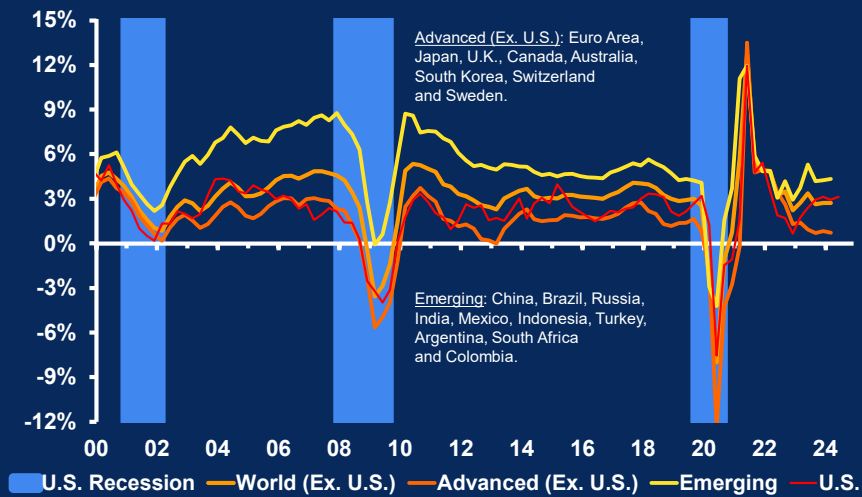
Global Real Activity and Recessions

(Global Industrial Commodity Market Shipping Volume Proxy) (Deviations from Trend)
 (Dallas Fed's Globalization & Monetary Policy Institute)



World Real GDP Growth Rates

Dallas Fed's Globalization & Monetary Policy Institute



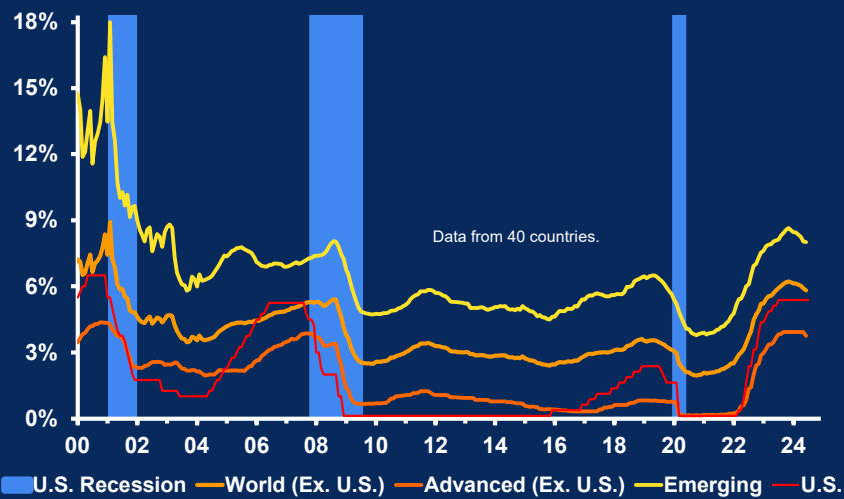
World Headline CPI Inflation Rates

Dallas Fed's Globalization & Monetary Policy Institute



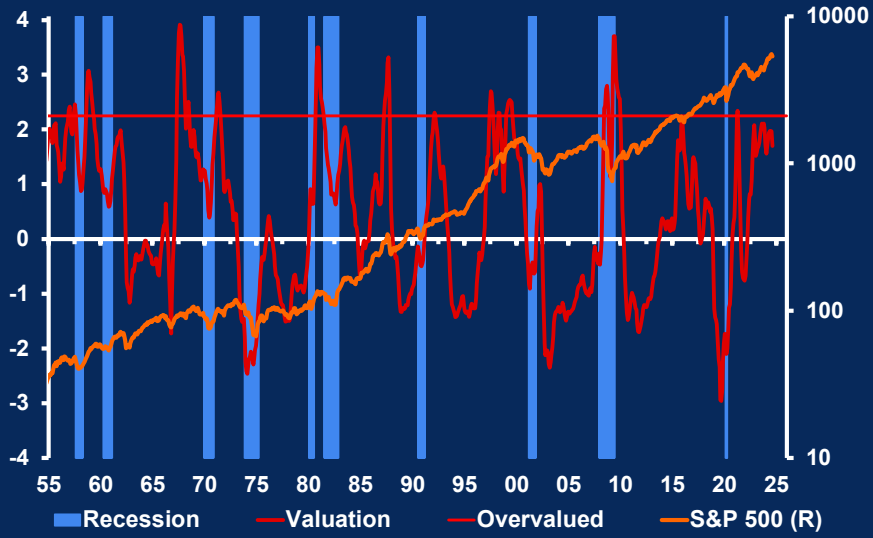
World Policy Short-Term Interest Rates

Dallas Fed's Globalization & Monetary Policy Institute



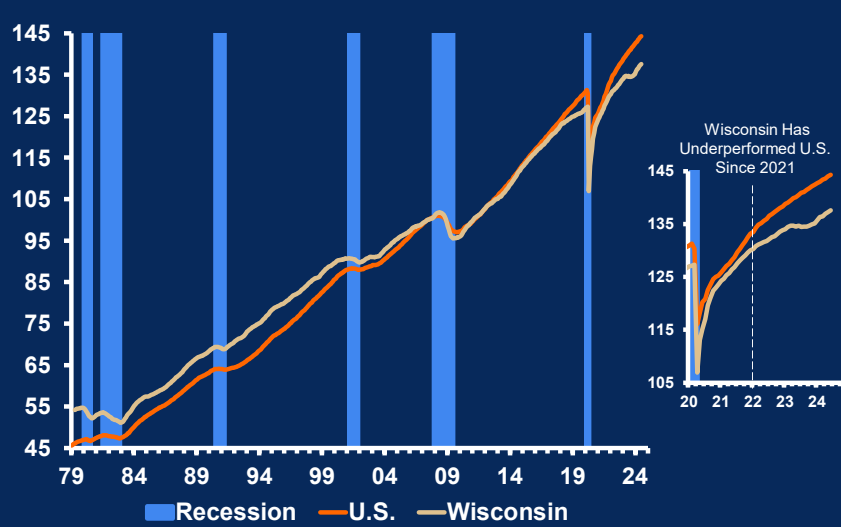
S&P 500 Valuation Index

(Operating Earnings) (Smoothed Valuation Index)



Coincident Economic Indexes

(Coincident Economic Activity Index) (Philadelphia Fed)





WICPA Not For Profit Conference

The Economic and Market Outlook 2023 – 2028

Has Recession Started? No

What Do “Best Indicators” Predict? Slowdown + Recession Risk

Can Recession Be Averted? Or Downside Limited? Yes

Best Case? Inflation Slows Further + Fed Eases Soon

How Would Sectors Perform Then? Moderate Expansion

Worst Case? Fed Delays Ease + International Risks Rise

What to do now depends on sensitivity to economic slowdowns.

“Alert Zone” means temper optimism.

“Caution Zone” now means plan for recession.

Delay implementation until jobless claims soar or own orders drop.

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Questions...

Clare W. Zempel, CFA, CBE

Zempel Strategic

Applied Economics and Financial Market Analysis

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CZempel@ZempelStrategic.com

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1:45 – 2:35 p.m.

Staffing & Succession Planning: Attracting, Developing & Retaining Talent in Today's Environment

Samantha Maldonado, MBA, CPDC, SHRM-SCP, Strategy Consultant,
Spectrum Nonprofit Services

Staffing & Succession Planning for Nonprofits...

Attracting, Developing and Retaining Talent in
Today's Environment

Samantha Maldonado

September 2024



Wisconsin Institute of
Certified Public Accountants

spectrum
nonprofit services

1

“Leadership is about making others better
as a result of your presence and making
sure that impact lasts in your absence.”

— Sheryl Sandberg

2

Why?....

The Importance of Succession Planning

Organizational Sustainability



Source: [5 ways to create a strong sustainability culture | GreenBiz](#)

Risk Mitigation



Source: [Research Integrity & Assurance | Research Operations News \(asu.edu\)](#)

Leadership Development



Source: [Images - Browse 45 Stock Photos, Vectors, and Video | Adobe Stock](#)

"If succession planning is crucial,
why aren't more organizations
implementing it?"

5

Why don't organizations engage in succession planning?

Fear



Source: [Baba Daddy - The real me - Home - Blogs \(weebly.com\)](#)

Time & Effort



Source: [Aron Visuals \(@aronvisuals\) | Unsplash Photo Community](#)

Savior Complex

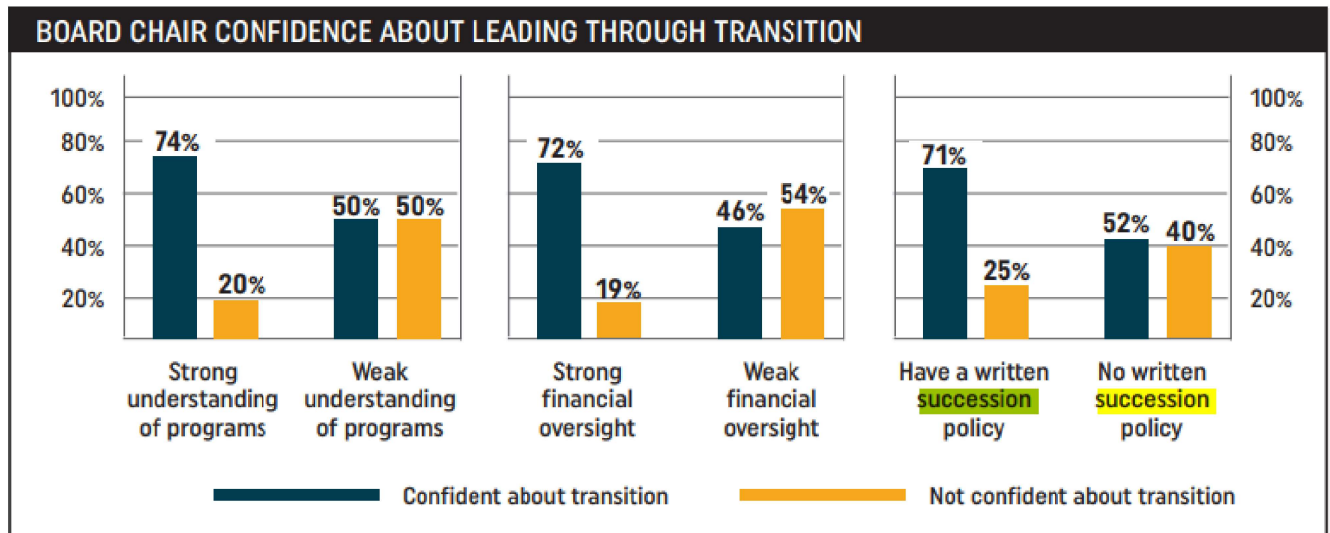


Source: [Doctorate in Educational Leadership – PhD and EdD \(educationalleadershipdegree.com\)](#)

6

But it's worth the effort

Boards generally demonstrate a high level of adoption of essential oversight practices, but any exception to these practices is notable:



Source: "Leading with Intent" 2021

7

Inadequate succession planning can be a costly mistake.

Leadership isn't permanent, but with a strong succession plan, you can ensure seamless leadership transitions, reducing disruptions and preserving stability.

8

Approaches to succession planning



“Strategic Leader Development” – Forward thinking, expansion of talent undeterred by transitions

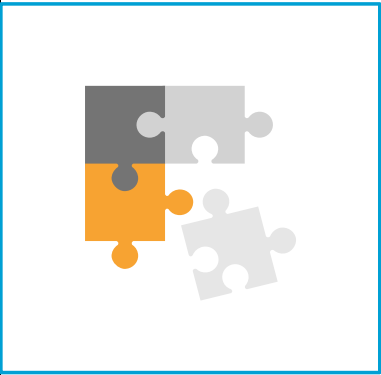


“Departure-Defined” succession planning



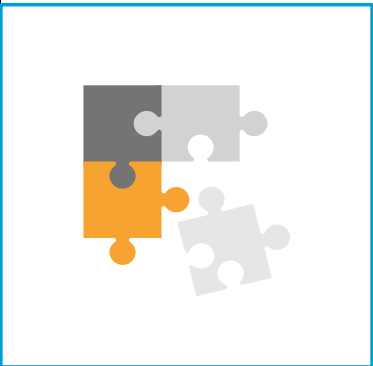
Data-Driven (decisions by data)

Strategic Leader Development



Strategic Leader Development

A continuous process that involves articulating an agency's **vision**, pinpointing the **essential** leadership and managerial **skills** needed to achieve that vision, and **attracting and nurturing** talented **individuals** capable of developing and embodying those skills.



Strategic Leader Development

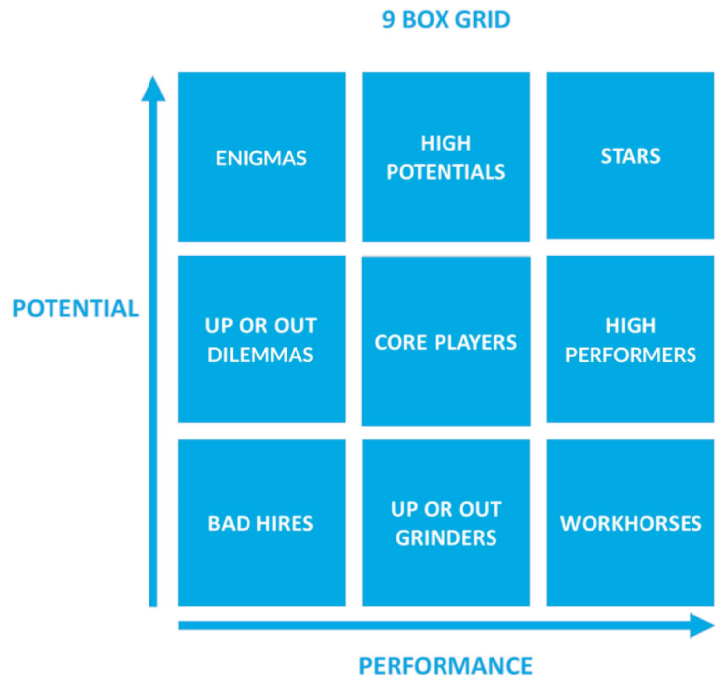
Identify:

- Core skills, essential roles and high-potential individuals
- Invest in development resources for these individuals to **prepare and practice**
- **Reveals** current **gaps** in skillset of identified leadership/bench strength and related role requirements

By actively engaging in these initiatives, you can:

- **Align** your aspirations with the organization's strategic objectives
- Create development **plans** to address
- **Shore up** any gaps in skills
- Position identified **talent with opportunity** to flex & lean into leadership space
- **Build** capability and competency

A tool to measure “potential” when considering staff for key roles.



Source: AIHR.com

13

Departure Defined

14



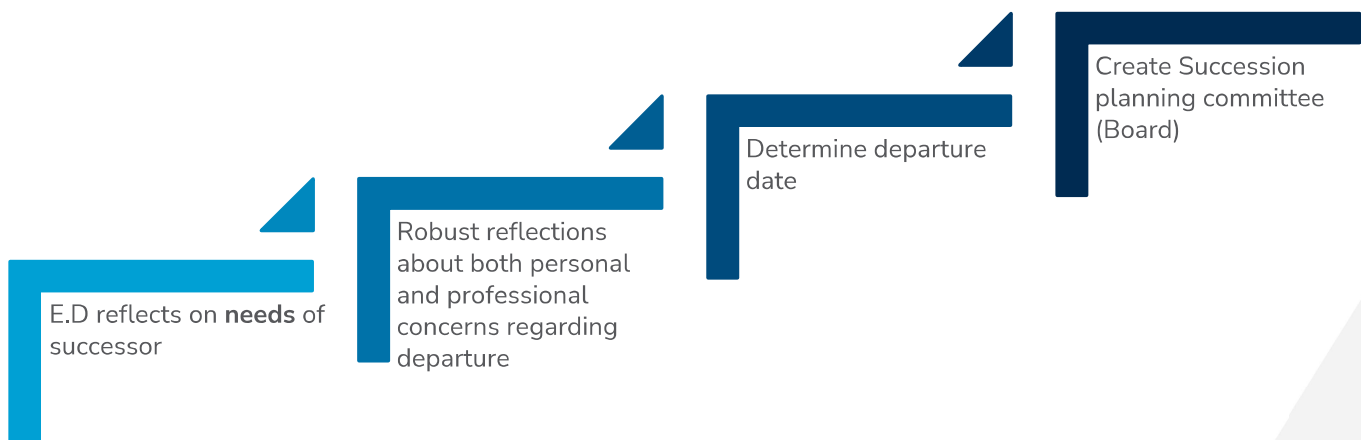
Defined & Planned Departure

A leader announces their resignation or plans to leave or retire **in the future** (18 months-3yrs). The board of directors must approach the transition wholeheartedly for two key reasons:

1. Hiring the right executive is crucial for the organization's future success
2. Transition period presents significant opportunities for growth.

Departure Process Outline

Phase 1



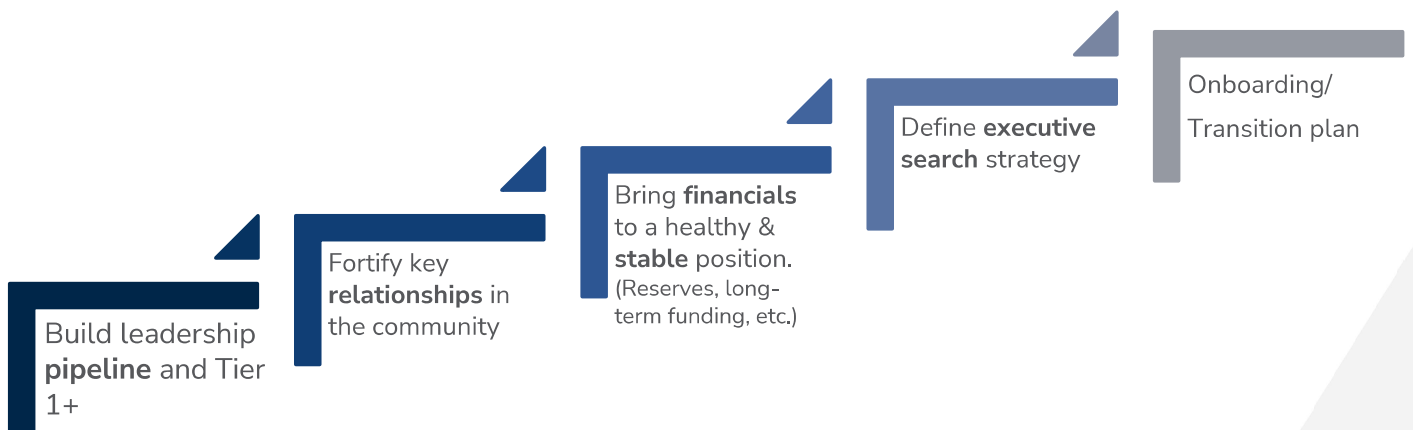
Departure Process Outline

Phase 2



Departure Process Outline

Phase 3

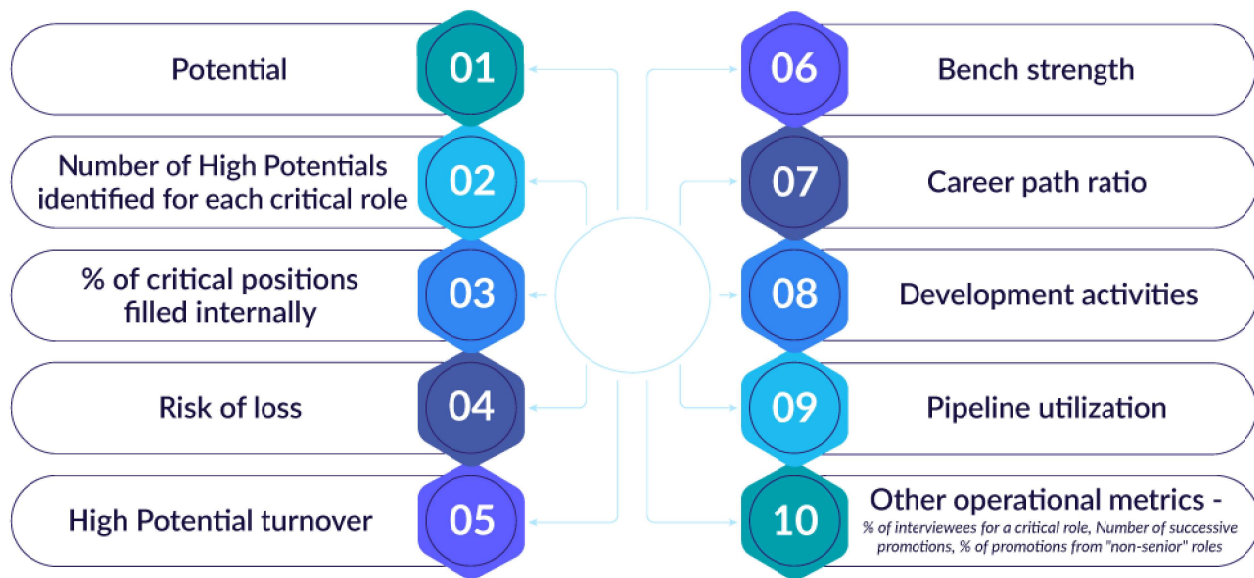


Data Defined

Data-driven Succession Planning

Succession Planning Metrics	Importance
Employee Performance Metrics	Identifies potential successors based on performance and skill set.
Leadership Pipeline Analysis	Identifies gaps in leadership talent and development needs.
Workforce Demographics	Analyzes workforce trends to anticipate future leadership needs.

Succession Planning Metrics



Source: AIHR.com

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Resources



Resources for Succession Planning

Bringing your succession plan to life

Professional Development Programs



Source: [Jo Szczepanska \(@joszczepanska\) | Unsplash Photo Community](#)

Best Practices and Case Studies



Source: [Joyce Hankins \(@moonshadowpress\) | Unsplash Photo Community](#)

Succession Planning Tools



Source: [Brooke Cagle \(@brookecagle\) | Unsplash Photo Community](#)

Final Thoughts...



"Succession planning is not an event but an ongoing process that requires constant evaluation and adjustment."

– John Maxwell

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Thank You!

Contact Us!

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spectrum
nonprofit services



Wisconsin Institute of
Certified Public Accountants

26

2:45 – 3:35 p.m.

Technology & Creating Staff Efficiencies

Kevin Mleziva, CPA, CFO, Nonprofit, CLA

Jane Wochos, CPA, CFO, Nonprofit, CLA



We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

Technology and Automation

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Agenda

Introduction

Technology topics

- AP and spend management
- Month end close
- System integration
- Financial reporting

Questions/Thank you



3

A/P and Credit Cards



#1 thing we hear holding up month-end close in nonprofits?

Accounts payable (coding, approvals)
Credit cards (receipts, coding, approvals)



Particularly important (and cumbersome) with cost reimbursement grants



Ideas to add automation and remove this month-end delay?

Online bill pay platforms
Expense management platforms
Accountability mechanisms



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Advantages

- 1 Coding and approval
- 2 Document retention
 - Receipts
 - Invoices
 - W-9's
 - Vendor contracts
- 3 Integration with GL system
- 4 Auditor view only access (no more pulling invoices)
- 5 Could also be used to manage AR (including payment)



Examples



BILL



Ramp

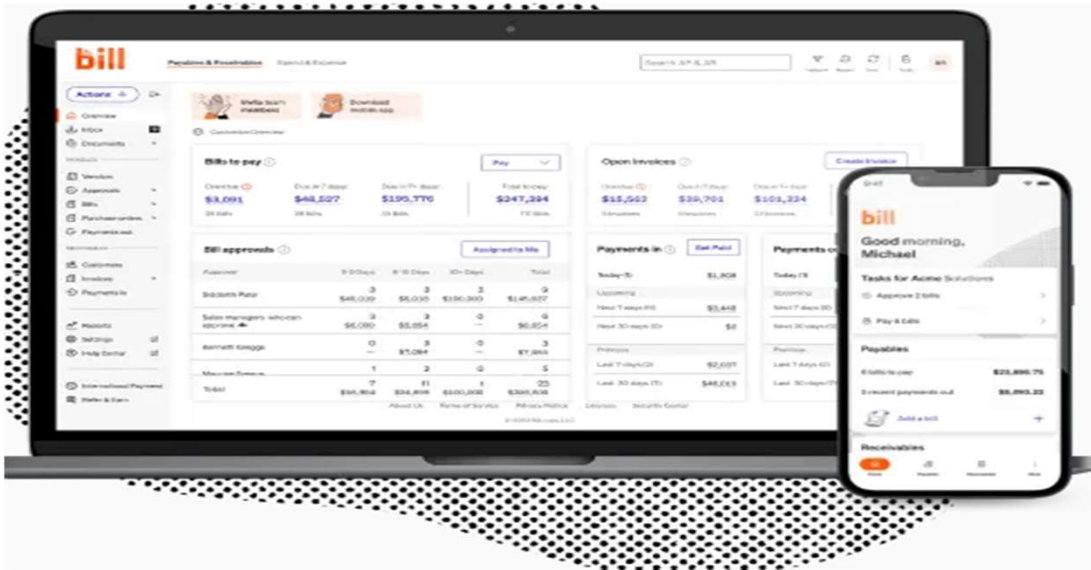


Avid exchange

No auto deposit for expense reimbursement (con)



BILL Example



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7

Floqast

Blackline

Month-End Close

Adra by Trintech

Sage Intacct



Popular Month-end Close Systems



8

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Month-End Close Systems

- | | |
|-----------------------------------|------------------------------|
| 1 Syncs with general ledger | 2 Manage deadlines |
| 3 Clearly assign responsibilities | 4 Approval documentation |
| 5 Visibility to team progress | 6 Efficient document storage |



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Third Party Software Integrations

Accounts Payable/Receivable

- Invoices and payments feed in
- Approval process and documentation is superior

Expense Management

- Credit card transactions feed in
- Approvals electronically
- Reduces time to code

Payroll

- Automatic integration
- Upload/Download



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Third Party Software Integrations

Banking

- Bank transactions feed in
- Really helpful for bank accounts with a high volume of ACH transactions

Fundraising

- Donations and pledges feed in
- Reduces time needed to reconcile between two systems

Merchant Services

- Credit card and cash sale transactions feed in
- Reduces time needed to reconcile between two systems



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Small Group Discussion: System Integration



- How many of you have systems integrated with your general ledger?
- Which ones? How well do they work?
- Where have you found a “solid upload/download” works better?



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Month-end Close



Bank feeds to your general ledger



Ap and spend management integration with general ledger



Payroll

Full integration

Upload/download



Fundraising systems

Full integration

Upload/download



Financial Reporting

Integrates with general ledger system or trial balance to create reports



Creates KPI's

Nonfinancial KPI's



Fathom example

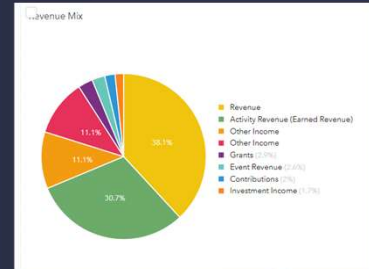
- KPI
- Chart
- Top ten
- Forecast



Fathom Report Examples

Top Revenues		Top Expenses	
Activity Revenue - Court Rental	\$66,009	Salaries & Wages	\$75,411
Contributions - Individual Unre	\$47,916	Utilities	\$18,489
Event Revenue - Gala	\$28,654	Contract Services-Admin	\$12,829
Activity Revenue - Jr 14U-18U Development	\$22,265	Excellence Team Grant	\$7,387
Activity Revenue - Private Less	\$21,540	Contract Services-Building&Main	\$7,170
Activity Revenue - Jr 6U-12U Development	\$20,031	Payroll Taxes-FICA	\$6,952
Grants - Private	\$12,800	Employee Benefits	\$6,833
Activity Revenue - Jr 14U-18U Performance	\$11,680	Credit Card Charges	\$6,775

PROGRAM IMPACT				
Number of Kids Served	235	60	▲	175
No. Scholarships Awarded	235	15	▲	220
\$ Average Scholarship	\$583	\$7,309	▼	-92%
LIQUIDITY				
Current Ratio	4.82:1	1.77:1	▲	3.06:1
Quick Ratio	4.71:1	1.71:1	▲	3.01:1
CASH FLOW				
Cash on Hand	\$723,945	\$520,058	▲	39.2%



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Questions?



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Thank you.

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*Jane Wochos, CPA
Principal
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CPAs | CONSULTANTS | WEALTH ADVISORS

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3:45 – 4:35 p.m.

Ethical Implications of Using Generative AI

John Higgins, CPA, CITP, Strategic Technology Advisor,
Higgins Advisory LLC

Ethical Implications of Using Generative AI



Presented By
John H. Higgins, CPA.CITP
Rochester, Michigan



John H. Higgins, CPA.CITP Strategic Technology Advisor



john@higginsadvisoryllc.com

- Nationally recognized thought leader, advisor, author and speaker on CPA technology
- Strategic technology advisor to the profession w/ 35+ years of experience
- Founded and sold two CPA technology advisory startups
- Former National Mid-market Technology Partner - BDO
- CPA Practice advisor Top 25 Thought Leader for the CPA profession
- AICPA Business & Industry Hall of Fame Inductee
- Past Chair of the Michigan Association of CPAs
- Passionate advocate for the CPA profession!

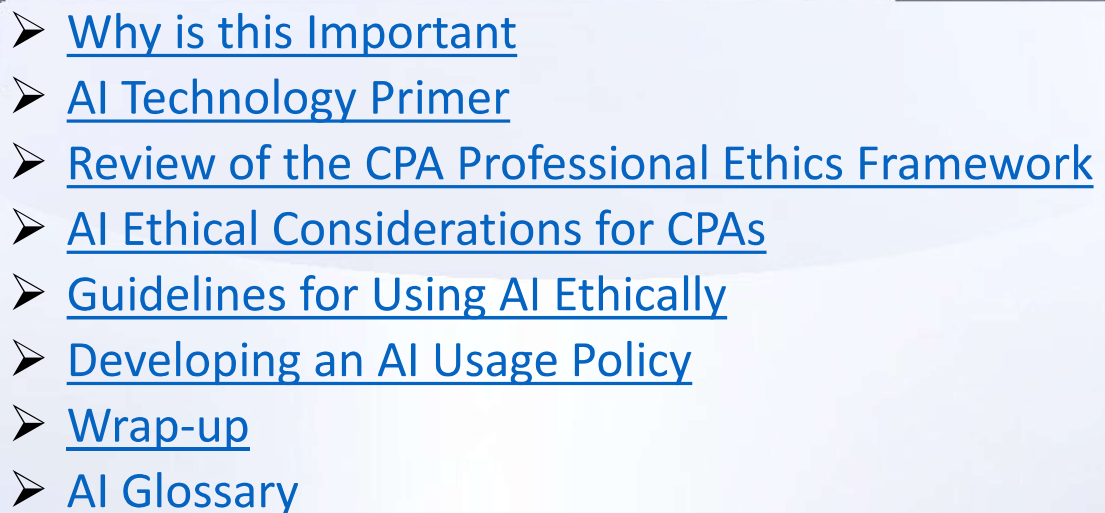


Learning Goals



- Recognize the ethical dilemmas with AI applications that CPAs can encounter
- Identify practical guidelines for resolving these ethical dilemmas

Presentation Outline

- 
- [Why is this Important](#)
 - [AI Technology Primer](#)
 - [Review of the CPA Professional Ethics Framework](#)
 - [AI Ethical Considerations for CPAs](#)
 - [Guidelines for Using AI Ethically](#)
 - [Developing an AI Usage Policy](#)
 - [Wrap-up](#)
 - [AI Glossary](#)

WHY IS THIS IMPORTANT?



“AI will probably most likely lead to the end of the world,
but in the meantime, there'll be great companies.”

Sam Altman
CEO, OpenAI

“The new spring in AI is the most significant development in computing in my lifetime. Every month, there are stunning new applications and transformative new techniques. But such powerful tools also bring with them new questions and responsibilities.”

Sergey Brin
Co-founder Google

“What all of us have to do is to make sure we are using AI in a way that is for the benefit of humanity, not to the detriment of humanity.”

Tim Cook
CEO, Apple

“First time in human history nobody has any idea how the world will look in 20 years.”

“The most important thing to know about AI, it is the first technology in history that can make decisions by itself and can create new ideas by itself.”

Yuval Noah Harari
Best Selling Author - Sapiens

“Robots will be able to do everything better than us. I am not sure exactly what to do about this. This is really the scariest problem to me.”

Elon Musk
Founder, Tesla & SpaceX

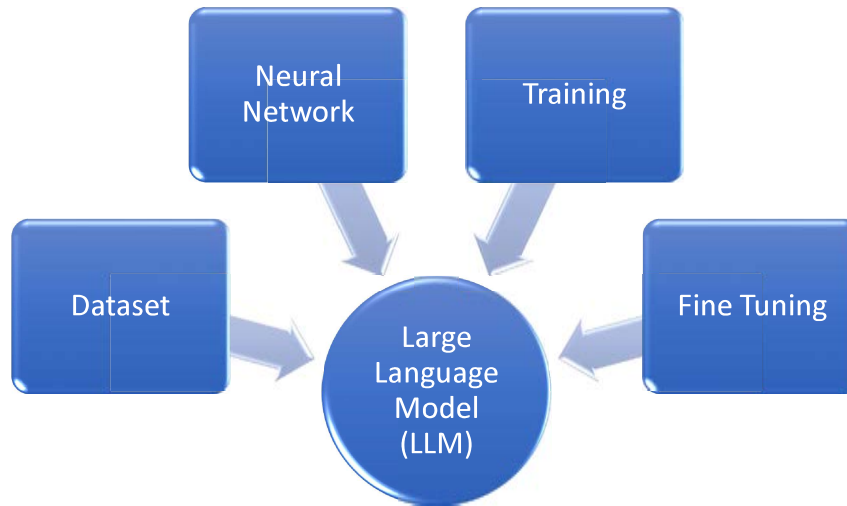
AI TECHNOLOGY PRIMER



The Three Levels of AI

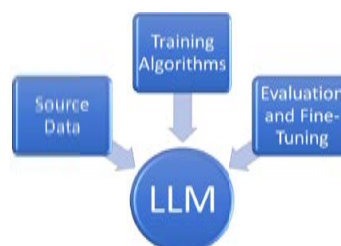
Narrow AI aka Weak AI	General AI aka Strong AI	Super AI aka Artificial Super Intelligence
<ul style="list-style-type: none">• Only form of AI that exists today• Limited to a defined task• Chatbots• ChatGPT	<ul style="list-style-type: none">• AGI – Artificial General Intelligence• Exists in theory only• Can accomplish new tasks without human training• Intellectually on par with humans• Current predictions are around 2030	<ul style="list-style-type: none">• Exists in theory only• Think / reason / learn / make judgements• Cognitive abilities surpassing human beings• Understand human feelings and feel emotions• Develop own beliefs and desires• No consensus prediction on arrival timeline

Generative AI and Large Language Models



LLM Source Data Risks

- AI application developer determines the source of the data
- The source data will have inherent biases
- Source data may have copyright issues



Where does ChatGPT get the LLM data?

You
where does chatgpt llm get its data from

ChatGPT
ChatGPT, as a large language model (LLM) developed by OpenAI, gets its data from a wide range of text-based sources. The data used for training includes:

1. **Books:** A diverse collection of books, covering a wide range of topics and genres.
2. **Websites:** Content from various websites, which can include articles, blogs, and other forms of online text.
3. **News Articles:** Information from news sources provides insights into current events, historical context, and journalistic perspectives.
4. **Educational Materials:** Texts from educational resources help in understanding academic and technical subjects.
5. **General Literature:** This can include fiction and non-fiction literature, contributing to the model's understanding of language, storytelling, and cultural contexts.

It's important to note that the training data is pre-processed to remove sensitive and inappropriate content to the best extent possible. Additionally, the model doesn't have real-time access to the internet or external databases; it generates responses based on the knowledge it acquired during its last training update, which was as of April 2023 in my case. This means that while ChatGPT can provide information on a vast array of topics, its knowledge is static and does not include events or developments that occurred after its last update.

LLM Training Algorithm Risks

- AI application developer defines the algorithms that train the data
- Different weightings can be assigned to different classifications of data to remove / embed biases



LLM Evaluation and Fine-tuning Risks

- AI application developer defines the parameters of the “guard rails” to exclude/ prevent inappropriate data
- AI developer defines “acceptable use” policies for user prompts



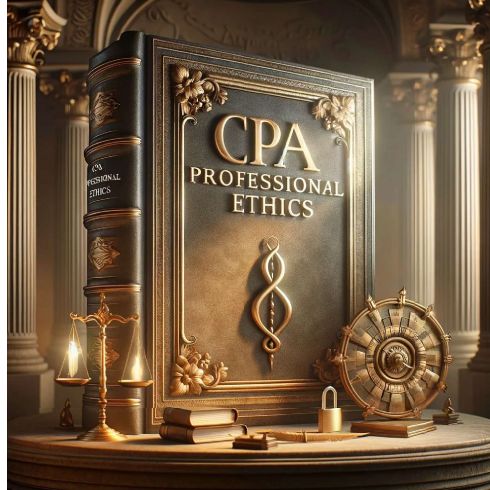
“Artificial intelligence is like electricity; it has application everywhere”

Andrew Ng
Co-founder Google Brain



Generative AI for Everyone

REVIEW OF THE CPA PROFESSIONAL ETHICS FRAMEWORK



AICPA Code of Conduct

- Adopted by members of the AICPA
- Provides guidance and rules for CPAs in their performance of professional responsibilities
- Disciplinary proceedings for failure to comply

Key Principles of Professional Conduct

- Act in the public interest
- Integrity
- Objectivity and Independence
- Due care



Additional Regulatory Entities to Consider

- State Board of Accountancy
- AICPA Standards
- SEC (Securities and Exchange Commission)
- PCAOB (Public Company Accounting Oversight Board)
- DOL (Department of Labor)
- GAO (Government Accountability Office)
- Federal, state and local taxing authorities

White House Executive Order on AI



OCTOBER 30, 2023

Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence

BRIEFING ROOM PRESIDENTIAL ACTIONS



ChatGPT generated executive summary



AI Worker Protection Guidelines

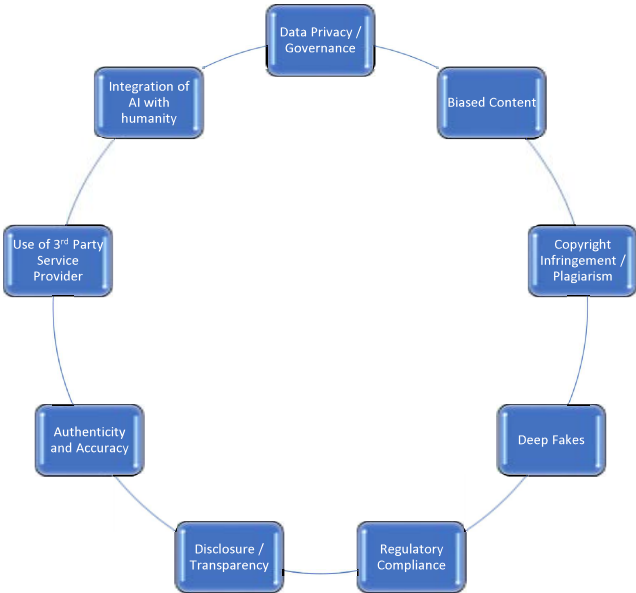
By the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered as follows:

Section 1. Purpose. Artificial intelligence (AI) holds extraordinary potential for both promise and peril. Responsible AI use has the potential to help solve urgent challenges while making our world more prosperous, productive, innovative, and secure. At the same time, irresponsible use could exacerbate societal harms such as fraud, discrimination, bias, and disinformation; displace and disempower workers; stifle competition; and pose risks to national security. Harnessing AI for good and realizing its myriad benefits requires mitigating its substantial risks. This endeavor demands a society-wide effort that includes government, the private sector, academia, and civil society.

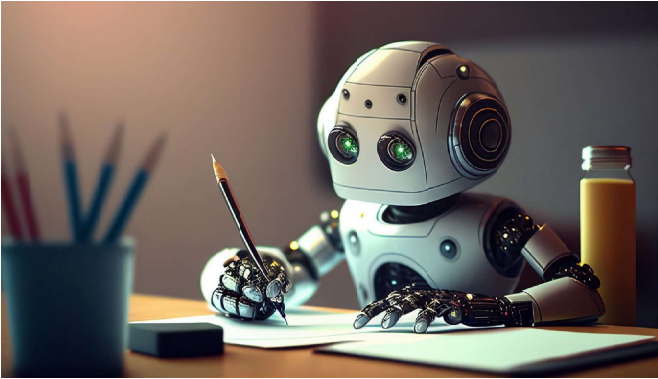
AI ETHICAL CONSIDERATIONS FOR CPAS



AI Ethical Challenges and Risks for CPAs & CFOS



Machines are getting more like humans



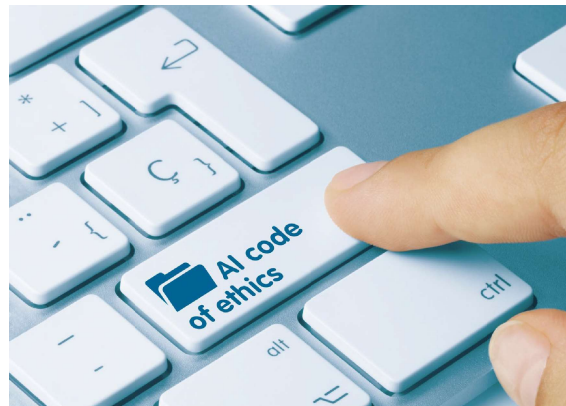
Humans are getting more like machines



Current Day Examples

- [Amelia](#)
- [ChatGPT](#)
- [HeyGen](#)
- [Figure 01](#)
- [Neuralink](#)

GUIDELINES FOR USING AI ETHICALLY



A Guide for Using AI Ethically



Build on the Basics

- Don't enter personally identifiable information into an AI app
- Do not enter any confidential information that can be linked to an individual or entity
- Control access to your AI app
- Be on the lookout for bias and hallucinations
- Independently verify facts and figures

OpenAI Privacy and Usage Policy

- [OpenAI Privacy Policy](#)
- [OpenAI Usage Policy](#)

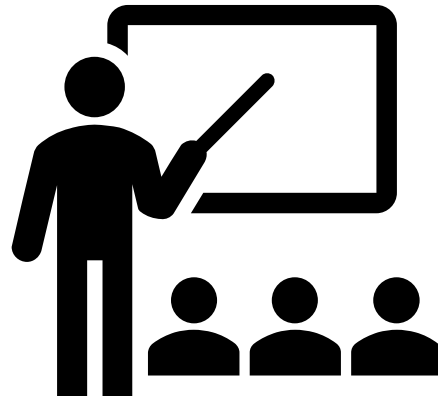


Sample ChatGPT safe usage policy
for a not-for-profit organization

Additional Resources

- [Sample AI Usage policy from Microsoft Copilot](#)
- [Sample AI usage policy from workable.com](#)
- [Every company needs a corporate AI policy](#)
- [CPA.com generative AI resource center](#)

WRAP-UP



In Summary

- There are many ethical considerations when it comes to using AI technology
- Specific standards and regulations are currently limited
- Develop an AI usage policy for your organization
- Educate your staff on the risks of AI
- Stay tuned to regulatory developments and accounting standards
- Use your core ethics as your foundation!

Questions ?



Thank you!!!