THE KT ADDITION

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What's Inside:

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EIDE BAILLY ALLIANCE CPA

JOE BIDEN'S TAX POLICY----HOW MIGHT IT AFFECT YOU

PAUL J. THORSTENSON, CPA/ABV, CVA, PARTNER

The phones have been ringing off the hook with the same question: How might Joe Biden's tax policy affect me and/or my business? The answer depends on the January 5th, 2021 Georgia runoff Senate contests. If both Democratic candidates are victorious, all three branches of government will be under President-elect Biden's control, and his tax policy could come to fruition. If Republicans win one seat, it is highly unlikely any of his tax policies will be implemented. Since I'm very poor at predicting the future, let's explore the Biden tax platform. The sources of this information are Joe Biden's website and the Wall Street Journal.

Paul J. Thorstenson
CPA/ABV, CVA, Partner

Joe Biden's website touts that he will not raise income taxes on anyone making less than $400,000. For everyone else, your tax bill would likely increase.

First let's explore proposed tax cuts:

- An expanded child tax credit to $3,000 per child and $3,600 for kids under 6.
- A new tax credit for first time home buyer's up to $15,000.
- A new tax credit to ensure that no family spends more than 8.5% of their income on health insurance.
- Provide tax savings for low-income taxpayer contributions to retirement plans by awarding a tax benefit at the highest income tax rates.

For corporations, he proposes to raise the current tax rate from 21% to 28%. This rate increase would affect all C-Corporations, but mostly affects large publicly-traded companies

Proposed tax increases affecting individuals:

- The top tax rate would increase from 37% to 39.6%.
- He proposes to reinstate the phase-out of itemized deductions for high income individuals.
- If your W2 wage is over $400,000, he has proposed to impose the 12.4% payroll tax on the excess. Presently, this tax ends when your wage exceeds $137,700. He has proposed to re-instate the individual ACA insurance mandate. This would bring back the penalty for

(Joe Biden's Tax Policy----How Might it Affect You continued on page 2)

(***Joe Biden's Tax Policy----How Might it Affect You*** *continued from page 1)*

individuals that choose to not have health insurance.

- The maximum long-term capital gains rate is presently 23.8%. Under Biden, if your taxable income is over $1 million, your rate will be 39.6%.
- The Biden campaign has discussed imposing a capital gains tax at your death. Honestly, this is the most creative and albeit, bizarre proposal. For example, at the death of a second spouse, the unrealized gain on all assets would be subject to capital gains tax. The plan would exclude the first $100,000 of gain and a larger exemption for personal residences. Effectively this is an estate tax on the middle class and an additional estate tax on the wealthy.

Proposed tax increase affecting small businesses:

- For several years, there has been a 20% deduction for small business income (Section 199A QBI deduction). This is effectively a tax credit of up to 7.4% relating to business income. President-elect Biden has proposed to repeal this benefit, even for taxpayers making less than $400,000 per year.

Proposed estate increases:

- Presently a married couple enjoys a $23.4 million exemption before the 40% estate tax hits their wealth. Under present law, on January 1, 2026 this exemption sunsets to one-half of that amount. The Biden campaign wasn't entirely clear on his intentions with respect to this tax. Apparently, based on my research, Biden intends to accelerate this sunset provision. However, the Wall Street Journal reports that he may wish to revert the exemption to 2009 law at $3.5 million.
- Since 1913, the tax code has allowed heirs to "step-up" the basis in assets if inherited after death. This allows refreshing of basis to wash away capital gains for the next generation. In South Dakota, this benefit is of particular importance to farmers and ranchers who see their land increase in value due to inflation. The Biden platform eliminates this tax benefit.

For me, the Georgia Senate races are more interesting than the November election. Keep watching the KTLLP website for updates and reach out to your Ketel Thorstenson, LLP advisor if you have concerns or questions.

ANOTHER CHAPTER IN THE PPP LOAN FORGIVENESS AND THE DEDUCTIBILITY OF EXPENSES

ALICIA BURGHDUFF, EA, SENIOR MANAGER

On December 27th, the President signed the Consolidated Appropriations Act, 2021 (CAA 2021). In it, Congress made it very clear as to its intentions of deductibility of PPP loan funded expenses, and the non-taxability of forgiven PPP loans. As this legislation is a direct contradiction of the current Internal Revenue Service rulings, reconciliation or withdrawal of the current Rulings and Procedures will need to take place. Section 276 of CAA 2021 lists the following:

1. No PPP Loan forgiven is included in gross income as debt forgiveness and;
2. No deduction is disallowed, no tax attribute reduced and no basis increase denied for forgiven amounts.

Given this law change, the PPP money is not taxable income, and the remainder of this article is now outdated just as this newsletter went to press.

Congress specifically provided that forgiven PPP loan dollars are

Alicia Burghduff
EA, Senior Manager

(***Another Chapter in the PPP Loan Forgiveness and the Deductibility of Expenses*** *continued on page 3)*

*(**Another Chapter in the PPP Loan Forgiveness and the Deductibility of Expenses** continued from page 2)*

tax exempt income. And while that was clearly their intention, the legislators failed to observe a long-standing rule that expenses funded by tax-exempt income are not deductible. In other words, whatever your PPP forgiveness amount is - it will increase your net taxable income by the same amount. This blind-sided both Congress and taxpayers.

Revenue Ruling 2020-27, recently released, is in an attempt to clarify the timing of non-deductibility of expenses paid with monies from the Paycheck Protection Program ("PPP Loans").

This ruling disallows 2020 deductions for these expenses which the taxpayer reasonably expects will be forgiven – even if the forgiveness isn't applied for or confirmed until 2021.

For example, assume a taxpayer paid for otherwise deductible expenses: payroll costs, interest on a qualifying mortgage, utilities, and rents with money from a "PPP Loan" and before the end of 2020, the taxpayer applied for forgiveness. However, as of December 31, 2020, the taxpayer has not received confirmation of forgiveness.

In this instance, the IRS ruled the taxpayer is not permitted to claim deductions for the eligible expenses (payroll costs, interest on a qualifying mortgage, utilities, and rents) on its 2020 income tax return.

Treasury said in the November 18th press release of Rev. Rul. 2020-27 "Since businesses are not taxed on the proceeds of a forgiven PPP loan, the expenses are not deductible. This results in neither a tax benefit nor tax harm since the taxpayer has not paid anything out of pocket." The IRS stands by the notion that taxpayers will be able to reasonably determine forgiveness and know what the tax adjustment should be for the 2020 tax year.

It had been speculated if a taxpayer waited until 2021 to apply for forgiveness, that the income could effectively be deferred until 2021. Revenue Ruling 2020-27 effectively voided this planning possibility.

Revenue Ruling 2020-27 is now part of the current income tax rules which require compliance. However, included in the **currently unpassed** PPP2 legislation now in Congress is language to allow deductibility of these same expenses. Unfortunately, until (and if) Congress passes the PPP2 legislation and reconciles this issue with the Service, the current Revenue Ruling is the law of the land.

Also released November 18, Revenue Procedure 2020-51 provides a safe harbor for certain Paycheck Protection Program loan taxpayers, whose loan forgiveness has been partially or fully denied, or for those who have decided to forgo loan forgiveness, to claim a deduction for certain otherwise deductible eligible payments. While I'm not sure why anyone would forgo forgiveness, but if they do, the safe harbor also allows these taxpayers to claim a deduction for the otherwise deductible eligible payments on an original income tax return.

To claim a deduction under this safe harbor for expenses paid or incurred in the taxpayer's 2020 tax year:

- The taxpayer obtains a PPP loan and the taxpayer expects the loan to be forgiven in a tax year after the 2020 tax year and;
- In a subsequent tax year, the taxpayer's request for forgiveness of the PPP loan is denied (either in whole or in part), or the taxpayer decided never to request forgiveness of the PPP loan.

A Taxpayer satisfying the safe harbor is permitted to deduct otherwise nondeductible expenses;

- On the taxpayer's timely filed, including extension, original 2020 return or amended return; **or**
- On a tax return for a subsequent tax year.

In order to claim a deduction, the taxpayer is required to attach to the return a statement titled "Revenue Procedure 2020-51 Statement" that must include specific items, including a statement specifying the grounds for eligibility.

With the release of the both the Revenue Ruling 2020-27 and Revenue Procedure 2020-51, the landscape of how to deal with deductibility of expenses supported by PPP loans may not be clear based on your specific circumstances. Contact your Ketel Thorstenson tax advisor to discuss these issues for additional clarity.

PROPER ACCOUNTING FOR PPP LOAN

KYLE KOPREN, CPA, MANAGER

The CARES act provided funds through the Paycheck Protection Program (PPP), administered by the Small Business Administration (SBA), to support businesses and nonprofits that were impacted by the COVID-19 pandemic. Many businesses were successful in being granted these funds. With the modifications to the program, most businesses in our region plan to submit for full forgiveness of their PPP loan. Like the PPP forgiveness application process, the accounting for PPP loans is new and different. No specific guidance exists in US generally accepted accounting principles (GAAP) relating to a potential forgivable loan from the federal government to a commercial business. As there is no specific guidance, we default to relying on guidance that is reasonably applicable based on the facts and circumstances.

This article will outline two methods of accounting for PPP loans that most businesses will elect to follow.

Accounting for PPP loans as debt

Each borrower had to sign a debt agreement after a successful PPP application with their financial institution. PPP loans are a legal form of debt, so reasonably applicable guidance includes FASB Accounting Standards Codification (ASC) 470 Debt. Under ASC 470 Debt, the business records the PPP loan as debt and accrues interest on this loan at the rate set in the debt agreement, which is one percent. A business does not have to impute a market rate of interest (even through a one percent interest rate may be below market rate), as ASC 825-30 Financial Instruments scopes out government guaranteed obligations. The business would record a gain when the debt is extinguished, including a gain on accrued but unpaid interest.

Under ASC 405-20, *Liabilities: Extinguishments of Liabilities*, the borrower would record income and derecognize the liability when the following conditions are met:

- The debtor pays the creditor and is relieved of its obligation for the liability.
- The debtor is legally released from being the primary obligor under the liability, either judicially or by the creditor.

The legal release would be when the borrower receives forgiveness approval from the SBA via the lender informing the borrower.

The presentation of the PPP loan on the balance sheet if forgiveness is not granted before year end requires thoughtful consideration. If forgiveness is expected in the next fiscal year, the PPP loan would be shown as a current liability. Alternatively, a business can elect to follow the maturity of the loan based on the legal terms of the loan. It would be prudent for a business to talk about PPP accounting with their lender if they have restrictive debt covenants. They should also talk with any outside parties such as bonding companies.

Kyle Kopren
CPA, Manager

Accounting for PPP loans as government grants

As a second option, a business can make the accounting policy election to follow Internal Accounting Standards (IAS) 20 Accounting for Government Grants and record the PPP loan as a forgivable government grant. Grant income would be recorded on a systematic basis when there is reasonable assurance that the conditions to receive forgiveness will be met. This would generally mean the business would record the earnings over the 8- or 24-week period that the eligible costs are incurred. However, eligible costs are not the sole determination of "reasonable assurance", and salary and employee levels must also be taken into consideration.

We recommend that businesses review the facts and circumstances of their business when selecting the accounting surrounding the PPP loan.

*(**Proper Accounting for PPP Loan** continued on page 5)*

(***Proper Accounting for PPP Loan** continued from page 4*)

You can expect additional financial statement disclosures related to the pandemic and any applicable funding the business received, including PPP. Be prepared to visit with your auditors about the business's ability to continue operations, cash flow and budget projections, investment declines, and the status of any forgiveness application that has been filed. If business continuity is uncertain, the audit opinion letter may include a going concern disclosure that clearly identifies the challenges you face.

If you're a nonprofit organization, please see our article Nonprofit Accounting for PPP and EIDL Funds on our website.

Don't let accounting for these unique cash flow streams become frustrating. The experts at Ketel Thorstenson, LLP are happy to assist you in navigating the accounting details summarized in this article!

COVID-19 RELATED RETIREMENT DISTRIBUTIONS

CARRIE CHRISTENSEN, CPA, MANAGER

The Coronavirus Aid, Relief, and Economic Security (CARES) Act (passed in March of 2020) contains many provisions intended to reduce taxpayers' financial hardships associated with the COVID-19 pandemic. One of the provisions of the Act concerns certain withdrawals from retirement accounts in 2020. Normally, withdrawals from retirement accounts by taxpayers under age 59 ½ are subject to a 10% early withdrawal penalty. Under the CARES Act, if certain requirements are met, the 10% penalty does not apply.

The maximum amount that may be withdrawn penalty-free is $100,000 per individual. In order to qualify for penalty-free withdrawal, the following requirements must be met:

- The distribution must be made to a qualified individual. A qualified individual must meet one of the following requirements:
  - Diagnosis of COVID-19 by a test approved by the CDC
  - Experienced adverse financial consequences due to
    - * being quarantined, furloughed or laid off
    - * having work hours or pay reduced
    - * having been unable to work due to a lack of child care
    - * having owned or operated a business that has been closed
    - * having a reduction in self-employment income
    - * having a job offer rescinded or a start date delayed
- The distribution must be made from an eligible retirement plan such as an IRA, 401(k), 401(a), 403(a), 403(b), or 457(b).
- The distribution must have been made between January 1, 2020 and December 31, 2020.

While not subject the 10% penalty, the distribution is still taxable. The CARES Act provides the option of reporting the entire distribution on the 2020 tax return or reporting the distribution ratably over three years. For example, if you took retirement distributions of $75,000 in 2020, you would have the option to report $25,000 of income in each 2020, 2021, and 2022.

In addition, the CARES Act allows a taxpayer to recontribute any portion of a COVID-19 related distribution to a qualified plan within three years from the date of receipt. Any amount recontributed is considered a tax-free rollover and excluded from income. Because of the three-year recontribution window, tax planning opportunities exist. For example, if the funds are recontributed prior to filing the 2020 tax return, they are excluded from income. This can be as late as October 15, 2021 if the return is extended. If the funds are recontributed after filing the 2020 return, an amended return may need to be filed. Several timing scenarios may occur. Consult your tax advisor to determine the best course of action for your specific situation.

Carrie Christensen
CPA, Manager

FORM 1099-NEC – HOW WILL IT IMPACT YOUR BUSINESS?

TONYA BUNNING, ASSOCIATE

When engaged in a trade or business, you are required by the Internal Revenue Service (IRS) to report certain payments you made to others throughout the year on a Form 1099. This coming January the Form 1099 filing season will look differently than it has in the past. Due to different filing deadlines for different boxes on the Form 1099-MISC, the IRS has created a new Form 1099-NEC (Non-Employee Compensation). In the past, non-employee compensation payments of at least $600 in the course of a year have been reported on the Form 1099-MISC in box 7. Non-employee compensation is considered payments made for services to a business or someone who is not an employee, cash payments for fish from someone engaged in catching fish as their trade or business, and payments for services made to attorneys.

Starting with the 2020 reporting period, these payments will now be reported on Form 1099-NEC. The Form 1099-NEC will be used to report only the non-employee compensation payments of $600 or more. The form will also include boxes to report applicable tax withholding and state information. You are still not required to issue the Form 1099-NEC to corporate taxpayers. The filing deadline for this form is February 1, 2021 by either paper or electronic filing.

The Form 1099-MISC form has been updated and changed in appearance, but will continue to be used to report other payments to the IRS. These include royalty payments of at least $10 and other payments of at least $600 like rent, prizes and awards, other income, etc. The filing deadline for this form to the IRS is March 31, 2021.

Tonya Bunning
Associate

Ketel Thorstenson, LLP is here to help you with the preparation and filing of both the new Form 1099-NEC and the Form 1099-MISC. Give us a call with any of your questions or concerns.

TAX SEASON PLANNING & APPOINTMENTS

In light of the current coronavirus situation the firm is making changes to our client appointment process to ensure the safety of you and our staff. We will be limiting our in-person appointments this year and asking clients to meet virtually or have a phone conference with their accountant. All virtual appointments will be conducted via Zoom.

If you wish to not meet with your accountant this year, you can provide your tax information one of the following ways.

- Electronic File Transfers- will allow you to send documents securely. Visit the button on ktllp.com under Client Portal. There is also a button with Client Portal instructions if you need assistance. Please do not use normal email to send documents with sensitive information.
- Office Drop - there is a drop box located at the offices. If your package(s) does not fit in the provided drop box, please call our front desk and someone will come get the package(s) from you.
- U.S. Mail- is also a great option in lieu of coming to our physical office.

The firm is continuing to monitor the coronavirus situation in our communities and will be making necessary adjustments to ensure the safety of our staff and clients. We will provide current information on our website and via social media. If you have any questions please reach out to your accountant.

2020 W2 UPDATES: EMPLOYEE SOCIAL SECURITY DEFERMENT AND FFCRA WAGE REPORTING

Sarah Davis, CPA, Senior Manager

When it sounds too good to be true, that is most likely the case. Beginning September 1, 2020, willing employers were able to defer withholding the employees' portion of Social Security tax in an attempt to keep more money in employees' pockets during the pandemic. Social Security tax could be deferred from employees' checks paid during September 1, 2020 to December 31, 2020, with the intention of collecting that deferred tax from employees' checks from January 1, 2021 to April 30, 2021. From an accountant's standpoint, this sounds like a paperwork and tracking nightmare, along with hesitation on the client's standpoint - who knows if those employees will still be around come 2021 to recoup that tax?

No one likes a bad honeymoon - the IRS published on October 29, 2020 how the recouped Social Security tax should be reported once it is collected during January 1, 2021 and April 30, 2021, which is filing a 2020 W2c for any affected employee. Guidelines state that the 2020 W2 should have all wages reported as paid, but box 4 housing the Social Security tax withheld should only show the tax that was truly collected in 2020, which makes sense and would be what software should populate for reporting purposes. The fun part is that as soon as possible in 2021, when the tax has been recouped by the employees, a form W2c needs to be filed to report the 2020 tax collected in 2021.

Luckily, one of the more prominent issues with these guidelines has been averted, since there is no reason to wait for the W2c or amended Form 1040 after it has been filed if the employees taxable wages do not exceed the $137,700 Social Security wage limit. If an employee works two jobs and is over the $137,700 limit, they will want to wait for the W2c or amend the 1040 after filing to get any excess tax paid in refunded. It is up to the accountant's and employers to make sure that employees are aware of why they are getting a W2c and what they should do with it after receiving.

The other prominent issue would be, at this point, the employer is responsible for any portion of Social Security tax not recouped from the employee if the employee terminates employment prior to the employer collecting the tax. There has not been further guidance on this issue, and Ketel Thorstenson, LLP will continue to watch and report any changing guidelines as they are issued. Please follow us on our website for trending and ongoing issues as well as the latest changes in guidelines.

In addition to Social Security Deferment, were FFCRA COVID wages paid to employees in 2020? If so, the detail of those wages is required to be reported in Box 14 of the W2 for 2020. The IRS is asking for the following: if the wages were "Sick leave wages subject to the $511 per day limit," "Sick leave wages subject to the $200 per day limit," or "Emergency family leave wages," along with the dollar amount that was paid under those categories. This will be an item that will most likely have to be manually input on the W2, unless the software companies get an update pushed out to automatically do this, along

Sarah Davis
CPA, Senior Manager

with the wages items being setup properly to pull on the form when they do. The hardest part about getting this information on the form is that the IRS is asking for a similar description to the ones listed above to be listed in the box, but there is not room for that much language in that area. Suggestions would be to put "Sick $511," "Sick $200," or "QFLW" to get the language to fit on the form.

Contact your KTLLP professional with any questions or concerns.

Join the conversation online.

RANSOMWARE ATTACKS ON THE RISE

Jimmy Louzon, Manager

Have you ever wondered what would happen if criminals could steal all of your organization's data? What would you do if you came to work and all of your information was encrypted and the only way to access it again would require paying a ransom of thousands of dollars? Unfortunately, this is a reality for many businesses and several of our clients over the past few months.

Like other forms of malware, ransomware continues to pose a significant threat to businesses across the country and here in South Dakota. Using advanced distribution techniques and encryption methods, attackers continue to find new ways to infiltrate networks and hold data and critical information systems hostage. However, there are still steps you can take to avoid falling victim to ransomware and protect your business from one of these attacks.

Ransomware is a type of malware that utilizes encryption to prevent users from accessing files or network devices until a fee or ransom is paid. These attacks can be detrimental to any organization, and recovery in some cases can take months and may require the help of professional data recovery specialists. Many organizations choose to pay the ransom in hope of a speedy recovery. However, paying the ransom does not guarantee your information will be ultimately recovered, and it is discouraged by the FBI as it just encourages more attacks.

According to Coveware's 2020 Q2 Ransomware Marketplace report, there has been an increase in low-cost Ransomware as a Service (RaaS) attacks on small businesses this year. RaaS has made it easier for traditionally non-technical individuals to participate in this type of cybercrime at a relatively low cost. These attackers tend to target organizations without the security resources necessary to defend themselves, and ransom demands are on the rise. Coveware reports that the average downtime from a ransomware attack is 16 days, with a median ransom payment of $44,021!

However, there are steps every organization can take today to help minimize their chances of becoming a victim. The Cybersecurity & Infrastructure Security Agency (CISA) and the FBI's website both have guidance on how to mitigate and respond to ransomware attacks. CISA's latest Ransomware Guide was published in September 2020, and contains prevention best practices and a response checklist to help your organization manage the risk associated with this threat.

The top mitigations and best practices recommended by CISA (https://us-cert.cisa.gov/Ransomware) include:

- Update software and operating systems with the latest patches.
- Never click on links or open attachments in unsolicited emails.
- Backup data on a regular basis. Keep backup files on a separate device and store them offline.
- Follow safe practices when browsing the Internet.
- Restrict users' permissions to install and run software applications, and apply the principle of "least privilege" to all systems and services.
- Enable strong spam filters to prevent phishing emails from reaching end users.
- Scan all incoming and outgoing emails to detect threats and filter executable files from reaching end users.
- Configure firewalls to block access to known malicious IP addresses.

Jimmy Louzon
Manager

We encourage all of our clients to consider consulting an IT firm to perform a detailed risk assessment for their network. Review your organization's backup plan, ensure all of your key systems are covered, and test your recovery plan regularly. And most important of all, continue to invest in cybersecurity awareness training for your staff. Empowering users with the skills they need to identify the different forms of phishing emails and social engineering attacks directly reduces a criminal's chances of a successful ransomware attack.

CONSIDERATIONS IN NEGOTIATING AND DRAFTING GIFT AGREEMENTS

MICHELLE MINNERATH, CPA, PARTNER

A gift agreement is highly recommended for a person desiring to create a legacy gift in their estate plan for their family while also providing assistance to a public charity. It is not a legal requirement in order to make a gift. A gift takes place as soon as a donor transfers ownership of property to a charity without consideration. This can be in the form of cash or even noncash items. A donor should consider a gift agreement if they have a large complex gift, if the donor has restrictions on the gift or if the funds will be received by the charitable organization at a later date. In these situations, the agreement is necessary to ensure the donor's promise can be relied upon, set expectations of donor and donee and prevent any misunderstanding of the terms of the gift.

When working with a gift agreement it is important to distinguish if the donor has a gift agreement or a pledge agreement as they are often used interchangeably, especially when a current gift includes a pledge to make a future contribution. A gift agreement documents a gift has been made by the donor to a charitable organization and is legally enforceable. A pledge agreement records a commitment by a donor to make a gift at a future time. It is generally not enforceable by law unless two elements have been met: there has been consideration given to the donor and the charity can establish that it has detrimental reliance on the pledge.

There are several items that should be included or considered when creating a gift agreement. Below is a list of some of those items:

1. Legal name of the charity
2. Legal name or names of the donors. For a married couple it is important to identify if the gifts will be given jointly or by only the husband or wife.
3. Detailed description of exactly what is to be contributed and the dates on which it will be contributed. This could include the amount of cash, specific securities, or legal description of real estate. The donor should consult with their CPA on which assets are the best to gift to a charity.
4. State that the donor's gift is unconditional and irrevocable, and the designation of the charitable organization is irrevocable. The donor can retain the right to change which nonprofit organization the donation goes to.
5. Statement that if the donor passes away prior to the fulfillment of the promise to give, the donor intends, and hereby instructs his or her personal representative to fulfill the promise.
6. Identify if the gift is unrestricted or restricted. If restricted there needs to be a statement for what the gift will be used for and the time period when the gift will be expended. If the gift is permanently restricted for endowment, there should be a statement as for what the earnings may be used for and when they can be used.
7. Statement describing any other restrictions or terms that have been agreed upon by the donor and the charity. An example of this is if a donor wants to donate money to start a fundraising drive at the charity. The donor can state they will donate a certain dollar amount if the charity can raise matching funds over the next 5 years. If the charity does not raise the matching funds then the portion that is unmatched could be given back to the donor's advised fund and donated to another charity.
8. Signatures of each donor and an authorized representative of the nonprofit organization.

Michelle Minnerath
CPA, Partner

The more precise the gift agreement is the less likely there will be any misunderstandings of the intentions of the donor and donee. Above is only a small list of items to consider. It is not intended to be comprehensive, nor does it constitute legal advice. It is recommended to seek legal counsel when entering into legal agreements.

OUR WHY: 85 YEARS IN THE MAKING

BETH HOTTEL, MARKETING MANAGER

Author and speaker, Simon Sinek, has a best-selling book and famous TED Talk called *Start With Why.* It is based on the premise that people won't truly buy into a product, service, movement, or idea until they understand the WHY behind it. Based on how leaders think, act, and communicate… the principal concept provides a framework upon which organizations can be built, movements can be led, and people can be inspired.

In this context KTLLP set on a journey in 2018 to do some self-reflection and dig deeper into our WHY. In the process we identified and came away with five core values that are the hallmark of KTLLP. They are…

Be Excellent - Provide exceptional and accurate professional services delivering premium value and exceeding expectations.

Be Innovative - Offer knowledgeable teams dedicated to delivering strategic solutions to ensure our people, clients, and communities reach their fullest potential.

Be True - Foster our strong foundation of being a dependable, honest, and accountable resource generating continued trust.

Be Friends - Nurture a supportive environment promoting genuine interest, giving back, growth, and success.

Be Different - Encourage diverse thoughts and opinions through collaboration while delivering a variety of services and creating strategic relationships.

The process went much more smoothly than most anticipated. We realized that was due to the pride in a rich history and culture built on excellence. According to Paul Thorstenson, Partner and former CEO…" industry expertise, leadership, and building relationships" has been the recipe for success. Our founding partners implemented these values 85 years ago… and they hold true today. We came out of the process confirming what we all had already known but it was time to officially label it. By labeling it, and formulating definitions it gave the context for further adoption as well as a guide for decision making and strategic planning.

As we launched our findings in the fall of 2018 we have been able to adopt and employ the values in variety of useful and fun ways, for example, using hashtags such as #beexcellent when posting congratulatory pictures of recent staff passing the CPA exam.

85TH ANNIVERSARY

Ketel Thorstenson, LLP

Beth Hottel
Marketing Manager

When the pandemic struck this year and the foundational core of all that we know was shook… as an organization there was an underlying sense of gratitude for the values we possess and the definition of our WHY. It serves as a focal point during crisis to carry through with the purpose and mission set forth.

As we move into a new year we are hopeful for some return to normalcy. We hope for you, our friends and neighbors, success, good health, and happiness. Regardless of what happens… know that KTLLP is here to serve you. That is our WHY!

2021 is KTLLP's 85th Anniversary! We are thankful to our clients for making this happen. Watch the KTLLP blog and social media for sharing fun memories over the years.

KT News

We can't do what we do without the help of a GREAT TEAM.

— NEW HIRES —

Tana Volmer
Associate,
Tax Department

Cassandra Stevens
Associate,
Tax Department

Dian Steele
Associate,
Tax Department

— INTERNS —

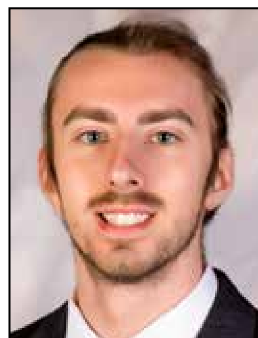
Ethan Stovall – Tax Department
Arick Lappe – Accounting Services
Luke Bates – Audit Department
Alexander Koehler – Audit Department
Melanie Snader – Tax Department
Angie McDonnell – Tax Department

— LICENSED CPA —

Griffin York, CPA
Associate,
Audit Department

Phillip Millar, CPA
Associate,
Audit Department

Jordan Jones, CPA
Associate,
Audit Department



Wes Hanson, CPA
Associate,
Audit Department

Jake Titus, CPA
Associate,
Audit Department

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