

Date: March 28th, 2024

Presentation starts: 6:02 PM

Firm Presenting: RSM (Reps: Michele Jurkaites, Chad Griswold)

- Auditing Income Tax Provisions
  - Introductions
    - Chad Griswold and Michele Jurkaites (Tax, Audit and Detroit, Northern Indiana)
  - Firm Overview
  - Pathways
  - Tax Provision (RSM Role)
    - Tax team role in engagement
    - Independence rules
      - SEC
      - AICPA
  - Income Tax Provision (ASC 740)
    - Accounting for Income Tax Overview
      - ETR = Effective tax rate (21%)
      - Deferred tax assets/liabilities (DTA/DTL)
      - Tax Account Roll
  - Effective Tax Rate Table
    - Tax rates are listed in the right most column (gross income and tax - left and middle columns)
  - Deferred Tax Assets
  - Tax Account Roll (Income Tax Payable/Receivable)
  - Role of Auditors in Provision Process – Initial Work
    - Process starts with client trial balance
    - Supporting documents – including tax roll
    - Ensure unusual items are discussed
      - Recorded right: point it out and explain
      - Recorded wrong = unusual
    - Time for tax team
      - Always tell client about tips if there should be something taxed
  - Role of auditors in Provision Process – Final
    - Record provision
    - Review effective tax rate
      - Audit team makes sure the balance sheet items match
    - Update financial statement disclosures, including rate reconciliation
      - Disclosures disclose the federal, state portions of deferred and current taxes from income tax payable/refund
      - Tax team can catch mistakes to benefit financial statement balances
  - Other Examples of Collaboration between Audit & Tax
    - New accounting standards and effect on tax expense
      - New GAAP rule: Lease expensing vs lease payables (ROU)

- Affects debt covenants
- Sharing information with each other (new states, new compensation programs, equity transactions, significant expansion plans, etc)
- Strategic conversations
  - Shifts and changes in client operations – bring in tax or audit professionals to understand effects on these changes (incentives between Michigan and Indiana)
- Sharing resources and ideas

Presentation ends: 7:03 PM

#### Old Business

- Minutes Approval - GA Meeting 3.21.2024
  - Seconded, approved.
- Shred Event – April 13<sup>th</sup>
  - 7:00 – 9:00 AM
  - 9th Street location
  - Riley has updated permission to edit
  - Sign-up by tonight
- Community Service Hours: 8 hours
  - Email, talk to, and spam Riley and create a plan because you need 8 accrued hours by the time banquet arrives
- Attendance
  - Talk to Merrigan
- Best Dressed Winner

#### New Business

- Announcements for Social Event next week (Emlyn)
- Graduation Stoles
- Last minute nominations E-Board Election
- Banquet Run-Through
- Writing Cards for Hospitalized Kids

Meeting Adjourned: 8:00 PM