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## Course Information

**Course Title: GAAP Tax Basis Q & A 2022 # 312522**

**Recommended number of continuing education credit hours for this course:**

In accordance with the standards of the National Registry of CPE Sponsors), CPE credits have been granted based on a 50-minute hour.

**CPA: 16** (Accepted in all states)

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration:

Florida Division of Certified Public Accountancy: 4761 (Ethics #11467)

Hawaii Board of Public Accountancy: 14003

New York State Board of Accountancy (for ethics): 002146

Ohio State Board of Accountancy: M0021

Pennsylvania Board of Accountancy: PX178025

Texas State Board of Accountancy: 009349

### Course Description

This course is divided into two sections. The purpose of Section I is to review unusual reporting and disclosure issues that develop in practice including questions such as how to disclose life insurance, leases, catastrophes, agreements not to compete, and investments. Section II deals with how to disclose and present tax-basis financial statements. Most of the course is presented in a Q&A format.

**Program Delivery Method:** QAS Self-Study (interactive)

**Subject Codes/Field of Study:** Accounting

**Course Level, Prerequisites, and Advance Preparation Requirements**

Level of knowledge: Overview

Prerequisite: General understanding of U.S. GAAP.

Advance Preparation: None

### Course Content

Course publication/revision date: 1/10/2022

Author: Steven C. Fustolo, CPA, MBA.

Final Exam: Eighty multiple-choice questions

### **Instructions for Taking This Course**

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### **ABOUT THE AUTHOR: STEVEN C. FUSTOLO, CPA**

Mr. Fustolo is a partner with the Boston CPA firm of James J. Fox & Company. He is a frequent lecturer and author of numerous tax and accounting issues affecting closely held businesses. An AICPA author, Mr. Fustolo's articles have been featured in *The Practical Accountant* and other publications. He is the author of numerous books and publications including: *Practice Issues: Compilation and Review*, *Accounting and Auditing Reference Guide*, *Everything You Never Wanted to Know About GAAP*, *Enron: Fraud, Deception and the Aftermath*, *FASB Review for Industry*, *Current Developments: Accounting and Financial Reporting*, *Making Money with Special Engagements*, *Understanding the Variable Interest Entity Rules*, *FASB, SSARS and SAS Update and Review*, *Tax Basis Accrual Financial Statements*, *Accounting for the New Lease Standard*, and numerous other books and manuals that have been published by Practitioners Publishing Company (PPC) and Commerce Clearing House (CCH.) Mr. Fustolo's recent best-selling courses entitled *The Impact of the Tax Cuts and Jobs Act on GAAP and Financial Reporting*, *Implementing the New Revenue Standard (ASC 606)- Guidance for Private Companies*, and *Accounting and Financial Reporting for COVID-19 and the CARES Act*, have received accolades from the financial media. Mr. Fustolo is the recipient of several Outstanding Discussion Leader awards from many professional organizations including the New York and Florida Societies of CPAs. Mr. Fustolo's course entitled *FASB, SSARS and SAS Update and Review* continues to be regarded as one of the top live CPE programs in the country today with ratings that average 4.91 on a scale of 5.0. He speaks regularly for professional groups including being a guest lecturer at the AICPA Advanced Accounting and Auditing Technical Symposium. Mr. Fustolo is the recipient of the Elijah Watts Sells Award (AICPA) and Silver Medal (Massachusetts) for scores received on the CPA Examination.

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# Learning Objectives

**Objectives:** This course is divided into two sections. The purpose of Section I is to review unusual reporting and disclosure issues that develop in practice including questions such as how to disclose life insurance, leases, catastrophes, agreements not to compete, and investments. Section II deals with how to disclose and present tax-basis financial statements.

After reading the Section 1 course material, you will be able to:

- Recall the accounting treatment for non-monetary exchanges
- Recognize the formula for measuring an impairment of real estate
- Identify the accounting for different types of investments such as securities, investments using the equity method, and partnerships
- Recognize some of the disclosures required for trade receivables
- Recognize how FIFO inventory is valued under the new inventory rules
- Recall certain inventoriable costs
- Recall the GAAP rules to account for an intangible asset with a finite useful life
- Identify the accounting for environmental contamination costs
- Identify examples of costs associated with exit activities
- Recognize how an entity should account for revenue when treated as an agent
- Identify options to avoid having to maintain two depreciation schedules
- Recall how to account for certain lease arrangements
- Recognize how to account for certain transactions on the statement of cash flows
- Identify examples of group concentrations
- Recognize some of the results from the new net operating loss rules in tax reform
- Identify the basic accounting for fresh start reporting
- Identify how web development costs are accounted for during certain stages of development
- Recognize when an entity may elect the fair value option and identify some of the eligible items for which the option is available
- Recognize the basic rule for the liquidation basis of accounting

After reading the Section 2 course material, you will be able to:

- Recognize some of the M-1 differences that do not apply to tax-basis financial statements
- Recognize how to account for an accounting change in tax-basis financial statements
- Recall how to account for and present nontaxable and nondeductible items in tax -basis financial statements
- Identify the disclosure requirements for tax-basis financial statements
- Recognize the appropriate and inappropriate financial statement titles for tax-basis financial statements

# GAAP- Tax-Basis Q&A-2022

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