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## Course Information

**Course Title: GAAP Tax Basis Q & A 2023 # 312523**

**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.

### Course Content

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Author: Steven C. Fustolo, CPA, MBA.

Final Exam: Eighty multiple-choice questions

**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

### Instructions for Taking This Course

- Log in to your secure account at [www.bhfe.com](http://www.bhfe.com). Go to "My Account."
- You must complete this course within one year of purchase (If the course is "Expired," contact us and we will add the latest edition of the course to your account (no charge).
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- **Once you have completed studying the course** and you are confident that the learning objectives have been met, answer the final exam questions (online).

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- For a printed copy of the exam questions, open the exam and press "Print Exam."
- Once you pass the exam, the results (correct/incorrect answers) and certificate of completion appear in "My Account." A confirmation email is also sent.
- CFP Board and IRS credit hours, if applicable, are reported on Tuesdays and at the end of the month.

**Have a question?** Call us at 800-588-7039 or email us at [contact@bhfe.com](mailto:contact@bhfe.com).

### **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
- 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 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
- Understand How to account for the Pass-Through Entity (PTE) tax in financial statements

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-2023

## Table of Contents

SECTION 1: GAAP Q & A.....	8
I. BALANCE SHEET .....	8
A. Comparative Statements/ Individual Statements .....	8
B. Property and Equipment .....	9
REVIEW QUESTIONS .....	28
C. Cash and Investments .....	31
REVIEW QUESTIONS .....	47
D. Receivables .....	51
E. Inventories .....	55
F. Cash Value of Life Insurance .....	62
G. Intangible Assets .....	64
REVIEW QUESTIONS .....	81
H. Current Liabilities .....	86
I. Notes Payable .....	88
J. Other Liabilities .....	93
K. Stockholders' Equity .....	103
REVIEW QUESTIONS .....	113
II. REVENUE AND EXPENSES .....	118
A. Income Statement Title .....	118
B. Involuntary Conversions .....	118
C. Reporting Revenue Gross Versus Net .....	118
D. Accounting for Revenue from Prepaid Stored-Value Cards .....	120
REVIEW QUESTIONS .....	130
E. Depreciation and Amortization .....	133
F. Other Expense and Income Items .....	142
REVIEW QUESTIONS .....	149
G. Cash Flows .....	153
H. Concentrations .....	166
I. Fiscal Years .....	173
REVIEW QUESTIONS .....	175
J. Personal Financial Statements .....	179
K. Related Party Disclosures and Transactions .....	182
L. Miscellaneous Disclosures .....	188
M. Income and Other Taxes .....	201
REVIEW QUESTIONS .....	217
N. Dealing with Acts of God, Natural Disasters and Terrorist Acts .....	222
O. Accounting for Entities in Bankruptcy .....	233
P. Accounting for Website Development Costs .....	234
Q. Fair Value Disclosures .....	239
R. Subsequent Events Under GAAP .....	249
REVIEW QUESTIONS .....	254
S. Development Stage Entities and Start Up Disclosures .....	259
T. Liquidation Basis of Accounting .....	261
U. Using Pushdown Accounting .....	264

REVIEW QUESTIONS .....	267
SECTION 2: TAX-BASIS Q&A .....	271
A. Overview .....	271
B. Present Reporting and Disclosure Authority- Tax Basis .....	271
C. Revised Definition of Tax-Basis Financial Statements .....	271
D. When to Use and Not to Use Tax-Basis Financial Statements .....	272
E. Deferred M-1s Are Eliminated with Tax-basis financial statements .....	273
F. Nontaxable Revenue and Nondeductible Expenses- Permanent Differences.....	274
G. Converting to Tax-Basis Financial Statements .....	275
H. Cash Flows Statement- Tax-Basis Financial Statements.....	279
I. Tax-Basis Financial Statement Titles .....	279
J. Disclosure and Financial Statement Requirements- Tax Basis.....	282
K. Agreements Not to Compete- Tax-Basis Financial Statements .....	286
L. Using the Tax Basis Based on a Method That Differs From the Income Tax Return ...	286
M. Tax-Basis Financial Statements- State Tax-Basis of Accounting.....	289
N. Disregarded Entities and Tax-Basis Financial Statements.....	289
O. Accounting for Tax Carryovers in Tax-Basis Financial Statements.....	292
P. Tax- Change in Accounting Method- IRC 481(a).....	295
Q. Presenting Insolvency in Tax-Basis Financial Statements .....	296
R. Involuntary Conversions and Tax Basis.....	299
S. Sample Tax-Basis Financial Statements, Reports and Disclosures .....	300
REVIEW QUESTIONS .....	321
INDEX .....	326
GLOSSARY.....	327