

COVID-19

CPA FIRMS STEP UP TO TAKE ON THE FINANCIAL CHALLENGES OF THE CORONAVIRUS

By DeLynn Deakins, *Today's CPA* Managing Editor

These continue to be frightening times as the coronavirus pandemic sickens people and wreaks financial havoc for businesses, employees, families and communities. CPAs are in a unique position to help people cope with the unprecedented uncertainty.

We asked three TXCPA members to discuss how they're responding to the challenges of these historic times, what guidance they're providing, their current business risks, the effects this pandemic may have on the profession in the future, and more. Our thanks to Sara Averett, CPA-Fort Worth, Melanie Kirk, CPA-San Antonio, and Josh LeBlanc, CPA-Southeast Texas, for sharing their insights.

What are or have been the most urgent challenges to tackle as a result of COVID-19's impact on your business?

Sara Averett: We've had a significant increase in the number of questions from not only clients, but from the general public. They've asked questions like when they'll receive their stimulus check or questions about the Paycheck Protection Program (PPP). Our tax work has been a challenge. Although the tax deadlines were pushed back, the same amount of work needs to be done and we're now also doing the work that's normally done after tax season.

Melanie Kirk: Everyone has been working remotely since the middle of March. We've had to make sure our team had what they needed to work more effectively from home. We already had good remote technology, but added more monitors, video capability and better chairs. We're also working hard to stay on top of the rapidly changing legislation and keep our clients informed.

Josh LeBlanc: It's been challenging to get information on a very rapid developing and changing legislative environment. There are so many different offices writing legislation simultaneously, it can be challenging to pick through, in many cases, conflicting regulations and guidance.

What changes has your firm made to respond to the crisis and in what ways are you assisting your clients in addressing their concerns?

Sara Averett: We are cross training and pulling people over from other departments to assist with the tax work since it has increased exponentially. We're reaching out to clients to help calm their fears and using technology whenever possible.

Melanie Kirk: We formed a COVID-19 team. They have spent countless hours researching the guidance on the different stimulus packages so we can help our clients understand the resources available and what best fits their situation.

Josh LeBlanc: We're using more remote work platforms for staff. We're making sure to be available to clients in these challenging times. Some of the toughest conversations pertain to closing businesses permanently, layoffs/furloughs, and business consolidations with limited resources available in this process.

What steps are you taking to help mitigate the business risks to your firm and do you see opportunities to provide additional assistance to the community?

Josh LeBlanc: Adopting the trusted advisor model, many of our clients will phone us before their attorney. We are in the middle of a lot of communications with various clients facing a variety of issues. Seasonal work all but halted a few weeks ago to help focus on more immediate financial concerns of our clients. Every one of our clients has been understanding of the timetable disruption. There's plenty of consulting opportunities available right now, and I don't



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know of any CPA who is actually slow or running out of work to do currently.

Sara Averett: It's difficult because we won't know the financial fallout until after October 15. With the extended tax season and work being pushed back, our normal financial benchmarks have been affected.

Melanie Kirk: We've reassessed our processes to be as effective as possible with everyone working remotely. Also, our recruiting group has received a lot of inquiries during the shutdown. We're hoping to add some new team members!

What plans are in place to be able to return to more normal operations when the crisis is over?

Melanie Kirk: We're starting with a small number of people back in the office each day.

Sara Averett: It's hard to know now what the long-term impacts will be. It's possible that many of the changes we've made in our firm recently might become permanent.

Josh LeBlanc: This is an ongoing topic of discussion. For many mid-sized regional firms that didn't have complete remote capabilities in place, this crisis has certainly accelerated many businesses, including CPA firms, into the future. It's possible that this has vaulted us five years ahead on technology. We have many clients struggling to make a switch to a more paperless environment, and this has accelerated acceptance of email, portals and digital signatures. It's one giant leap for technology in bridging the remote gap between many firms and some of their client base.

How has your experience and knowledge as a CPA helped you in your response to this crisis and in your adaptation to new ways of doing business in an ever-changing environment?

Sara Averett: The CPA brand carries weight. We are experts on these tax and other issues, but we need to back that up by understanding the implications of the changes. Clients are coming to us with questions daily. We have to take what we've learned and be able to explain to clients what the impact will be on them.

Melanie Kirk: My experience greatly helped during this time. Public accounting is typically fast paced and involves complicated and constantly changing rules and reporting requirements. We are also accustomed

to working with many different clients in a variety of different industries and situations.

Josh LeBlanc: "Crisis" is usually associated with some form of "hysteria or panic." Many locations in the country face various forms of economic shutdown due to natural disasters (be it blizzards, tropical events, wildfires, tornado outbreaks or earthquakes) and have unfortunately become all too accustomed to calm reaction and patience in times of crisis. Southeast Texas certainly has had its share of events in recent years. Adapting to new ways of doing business is certainly something that has been embraced here for the last decade. What is unique about this event is the whole country and the entire economy are facing struggle. With my knowledge and experience as a CPA through these natural events, I've come to expect tax legislation in favor of those affected and a delay in deadlines. Patience is key in some aspects, as well as reprioritizing work and tasks to assess what needs to take precedence, which is currently SBA loan assistance and PPP applications.

How do you see the CPA profession being involved in the recovery process for Texans and their communities?

Josh LeBlanc: As both federal and state legislators begin to think about turning things back on and writing legislation to help underwrite these events, our input is going to be more valuable than ever. Often times, there are impacts that they cannot see simply because they do not practice where we do. My experience in the profession has shown that our legislators are always open to receiving our input and feedback, as they are not looking to have unintended consequences in what they are doing.

Melanie Kirk: CPAs are in a great position to help during the recovery process. We can use our financial skills to make sure companies or other organizations understand their financial situation and assist with things like cash flow planning or the calculations involved with their PPP loans. CPAs also have a wealth of business experience to help organizations analyze their operations and adjust their strategic plan for the future.

Sara Averett: It's tough to navigate clients through these waters. The tax implications are causing the sheer volume of work to be staggering. Some CPAs who were nearing retirement might not want to continue working in such a difficult environment. Those who are at retirement age might retire if they can, resulting in a change in the number of CPAs available to do the work. This will likely lead to more opportunities for those who remain.