

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us



AICPA News is a roundup of recent announcements from the AICPA.

Global Coalition Issues Guidance on Adopting a Long-Term Value Creation Agenda

To support businesses in this uncertain environment, the International Federation of Accountants (IFAC), International Integrated Reporting Council (IIRC), the Association of International Certified Professional Accountants (AICPA) and the Chartered Institute of Management Accountants (CIMA) have released [new guidance for Chief Financial Officers \(CFOs\) and finance teams to navigate their organizations toward long-term value creation](#).

The report contains actionable insights for CFOs, finance teams, and other business leaders to sharpen their perspective on value creation beyond the financials,

including how to:

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

how to ensure that all relevant information around performance, opportunities, risks, and trade-offs are available to internal decision-makers, investors, and other capital providers.

CARES Act Causes Unexpected Valuation Considerations

The COVID-19 pandemic and federal Coronavirus Aid, Relief and Economic Stimulus (CARES) Act are having a major impact on business valuations, affecting large companies to small, Main Street businesses. Those valuation changes can have major financial implications for divorcing couples, estate planning, those looking to buy or sell a business, or becoming an equity partners in an enterprise.

The CARES Act added other considerations into the mix. Changes to tax laws can create one-time surges in cash flow, while the Paycheck Protection Program is providing additional funding, much of which will not have to be repaid if conditions are met. These efforts have helped many businesses stay afloat but may not be enough to maintain or enhance their value.

The business of breaking up

For the approximately 800,000 couples who get divorced each year, they are looking at major potential changes in the value of their real estate, investment portfolios or jointly owned business interest, and this could alter how much one must pay the other in the divorce settlement.

Recent economic changes may have reduced the values of their home, shared investments or businesses, and it may be many years before the values of those assets return. Depending on how those assets are divided, one spouse may be set up for a bigger rebound in the future or paying more than they should. Divorcing couples

should look at their settlement plans to determine whether they need to consider re-

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

members of a trust can take advantage of the current lower valuations to transfer more shares or a greater percentage of their ownership stake and stay under IRS limitations.

Buying or selling a business

It's more of a mixed bag for people looking to buy into or sell a business.

For those looking to buy into a business, now may seem like an ideal opportunity, as one can get in at a lower cost. But it can be more complicated than that, depending on the type of business and other equity partners.

For those looking to sell a business, they have to weigh several factors, including a potentially reduced sales price resulting in a lower tax bill on the sale and how fast they need to get out.

Updated Standard on Accounting Estimates and Disclosures for Auditors

The [American Institute of CPAs \(AICPA\) Auditing Standards Board \(ASB\)](#) has issued [Statement on Auditing Standards No. 143, Auditing Accounting Estimates and Related Disclosures](#), to supersede SAS No. 122 section 540, *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*, and amend various other AU-C sections in *AICPA Professional Standards*.

SAS No. 143 is one piece of a larger project to enhance audit quality (see the AICPA's [Enhancing Audit Quality Initiative](#)). It enables auditors to address today's new accounting standards and to enhance the auditor's focus on factors driving estimation uncertainty and potential management bias.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

the history of the index.

Accounting • Auditing

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved